

BOARD OF ALDERMEN

ITEM NO. C(6)

AGENDA ITEM ABSTRACT

MEETING DATE: June 17, 2008

SUBJECT: Award of Contract for Audit Firm

DEPARTMENT: Management Services	PUBLIC HEARING: YES ____ NO <u>X</u>
ATTACHMENTS: A. Resolution B. Dixon Hughes PLLC Contract	FOR INFORMATION CONTACT: Bing Roenigk, Assistant Town Manager Nancy Emslie, Accounting Officer

PURPOSE:

The purpose of this agenda item is to award the contract for the Town's annual audit for the year ending June 30, 2008.

INFORMATION:

Dixon Hughes PLLC has proposed a fee of \$54,000. Funds for the audit have been budgeted in the FY08-09 budget. The contract represents an increase in audit costs over the prior year as a direct result of the significant change in audit standards due to SAS 104-111. This has resulted in the Town having to more thoroughly document and assess controls and the auditors redeveloping the audit based on the risks related to those controls, including testing of those controls where applicable. The auditors will need to conduct "mini audits" to review internal controls and perform risk assessments.

FISCAL IMPACT:

This year's audit cost is based on a blended hourly rate of \$130 per hour and is estimated to be \$54,000 for fiscal year ending June 30, 2008. Sufficient funds have been budgeted in the FY 08-09 budget.

STAFF RECOMMENDATION

To award the contract to Dixon Hughes PLLC for a total cost of \$54,000 and to authorize the Mayor to sign the Engagement to Audit contract required by the Local Government Commission.