

**Sauk Valley Community College
May 22, 2023**

Action Item 4.3

Topic: Appointment of College Audit Firm

College Health Metric: Financial Stability – The College uses its revenue prudently while pursuing and utilizing alternative revenue streams. Investment in programs, personnel, processes, and infrastructure are carefully considered and supported by College Planning.

Presented By: Dr. David Hellmich and Kent Sorenson

Presentation:

Wipfli, LLP is a top 20 national tax and accounting firm that has been appointed the College’s audit firm since fiscal year 2014 and has completed its ninth consecutive audit with fiscal year 2022. The administration found LLP’s performance to be satisfactory.

The College’s audit is performed by Wipfli staff, managers, and partners based out of the Sterling, Illinois office. Wipfli’s Sterling office also provides a limited review of the College’s cybersecurity measures in conjunction with the audit services provided. The Sterling office is also invested in the communities where they work and live and are involved with the following organizations: Polo Chamber of Commerce, Polo Economic Development Corporation, Rock Falls Chamber of Commerce, Rock River Development Authority, Sauk Valley Area Chamber of Commerce, Sterling Rock Falls Historical Society, and the United Way of Whiteside County.

Wipfli’s fiscal year 2023 audit fee proposal is \$64,500, compared to \$46,200 charged for audit services for fiscal year 2022. Fiscal year 2022 was the third and final year of a three-year fee proposal, and audit fees have risen during the pandemic due. Additional audit services are necessary for fiscal year 2023. A detailed comparison of the audit fee proposal is below:

Service:	FY2023	FY2022
Financial Statement Audit	\$ 44,500	\$ 40,000
Single Audit (1 major program)	10,000	4,850
Additional Major Federal Programs*	5,000	-
CYEFER Audit	2,500	1,350
GASB 96 Implementation*	2,500	-
Total	\$ 64,500	\$ 46,200

*There was only 1 Major Federal Program for FY22, but it is expected there will be 2 for FY23 (and then back to 1 in FY24). GASB 96 is a new accounting standard required to be implemented during FY23 that will require additional work by the audit firm.

Recommendation:

The administration recommends the Board retain Wipfli, LLP to perform the College’s annual audit for fiscal year 2023.