



DES MOINES WATER WORKS
Board of Water Works Trustees

Agenda Item No. III-A
 Meeting Date: December 20, 2016
 Chairperson's Signature Yes No

AGENDA ITEM FORM

SUBJECT: Audit Services

SUMMARY:

To ensure competitive pricing and value-added customer service, the utility has made it a practice in prior years to send a Request for Proposal (RFP) for audit services approximately every 5-8 years.

In October, we sent an RFP for audit services to the following firms: 1) Deloitte, 2) KPMG, 3) RSM (our current auditing firm), 4) Ernst & Young, and 5) PricewaterhouseCoopers. Due to rating agency considerations in conjunction with our bond issues, our primary criteria for selecting firms to include in the RFP were size and national presence. The firms listed above are ranked in the top five firms in the nation, and are recognized as leaders in the accounting industry.

Of the five requests, we received one response. RSM, our current audit firm, was the only firm to respond.

RSM's proposal includes costs of \$68,093 for the 2016 financial audit and pension audit. This is slightly lower (2%) than the fees paid for the 2015 audit.

This was discussed at the December Finance & Audit committee meeting on December 13, 2016.

FISCAL IMPACT:

Funds will be provided from the Financial Services work plan of the 2017 budget.

RECOMMENDED ACTION:

Appoint RSM as the audit firm for Des Moines Water Works and the Des Moines Water Works Pension Plan, for the year ended December 31, 2016, and the subsequent four years.

BOARD REQUIRED ACTION:

Motion to appoint RSM as the audit firm for Des Moines Water Works and the Des Moines Water Works Pension Plan, for the year ended December 31, 2016, and the subsequent four years.

<p align="right">_____/_____ Michelle Holland (date) Controller</p>	<p align="right">_____/_____ Peggy Freese (date) Chief Financial Officer</p>	<p align="right">_____/_____ William G. Stowe (date) CEO and General Manager</p>

Attachments: none