

Item Summary: Audit Agreement for Fiscal Years 2006 through 2009

The County issued a request for proposals for audit services for the next four fiscal years. The County received four responses to that request, from:

Martin Starnes & Associates	Hickory, NC
Petway, Mills & Pearson, PA	Zebulon, NC
Potter & Company	Mooreville, NC
Thompson, Price, Scott, Adams & Co., PA	Whiteville, NC

The RFP was in Local Government Commission suggested format asking for two sections. The first section was a statement of qualifications. The second section was a sealed fee proposal. The second section was not examined until after the firms were ranked in order of qualifications by the Audit Committee, which met on 2/27.

The Audit Committee's (Commissioners Byrd & Judge and outside member Teresa Osborne) ranked the firms in the following order from their statements of qualifications:

Potter & Company
Martin Starnes & Associates
Thompson, Price, Scott, Adams & CO
Petway, Mills and Pearson

The following, presented in order of their rank, were the fee proposals for each firm for each of the four years:

Potter & Company	\$49,000	\$50,000	\$51,000	\$52,000
Martin Starnes & Associates	\$47,000	\$48,900	\$50,900	\$50,900
Thompson, Price, Scott, Adams	\$43,650	\$43,650	\$43,650	\$43,650
Petway, Mills and Pearson	\$44,000	\$45,000	\$46,000	\$47,000

The committee voted to recommend Potter & Company after the fees were examined. There were concerns with each of the other proposals, as shown in the following which is not an all-inclusive list:

Petway, Mills & Pearson No experience with county audits. Number of hours budgeted for the job was extremely low - 381 versus 442 for Potter, 476 for Starnes and 590 for Thompson.

Thompson, Price, Scott, Adams 4 county audits but only one of comparable size. Very limited experience of proposed non-partner staff. Proposal contained limited information.

Martin Starnes Very heavy government audit experience and load - 40 units of government and 17 counties. Staffing, timing and responsiveness is a question. Partner hours in field only proposed for the first year.

Potter & Company Experience with only two counties other than Dare but 17 years of cumulative audits for them and both are of comparable size. Commitment to substantial partner hours in the field for both Bob & Donna Taylor.

The committee felt that the advantages and quality audit offered by Potter more than outweighed the additional fee. The proposals are in the Commissioner's office for examination if desired.