

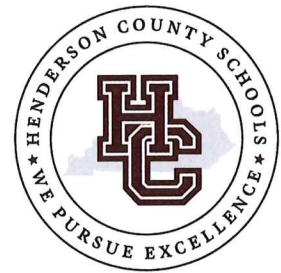
HENDERSON COUNTY SCHOOLS

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Dr. Bob Lawson, Superintendent



TO: Bob Lawson, Superintendent
And School Board Members

FROM: Cindy Cloutier
Director of Finance

A handwritten signature in blue ink that reads "Cloutier".

Date: May 17, 2024

Re: Auditor Contract

Each year we are required by statute to approve an auditor contract for a firm to audit the books of Henderson County Schools. This contract is required to be approved by May 31, 2024. For the first time ever, we received no bids for the RFP solicitation.

I contacted Marshall Smith at the Kentucky Department of Education for recommendations on next steps. I was told since I received no bids that I could call other firms and solicit for quotes. I contacted our previous auditor, ATA Advisory, LLC, who stated that they are really not interested in doing school audits anymore because of the tremendous investment of time and ever changing requirements. After several conversations with them, their audit committee met and decided that they would consider contracting with Henderson County Schools at more than double the cost of the 2022-2023 audit and a three year commitment on the contract. This would mean that our audit cost would increase from \$37,000 to a range given of \$75,000 to \$80,000.

Since the audit contracts must receive approval not only by each local school board but also from the State Committee for School District audits my fear was that the contract would not be approved by the state committee because of the significant fee increase.

I have since contacted six other firms. I received one response of definite interest. White and Associates, from Eastern Kentucky, has one remaining spot for a potential client and they feel that Henderson County Schools would be a great client. After speaking with the auditor in charge I feel like White and Associates would be an excellent choice to audit Henderson County Schools. They audited 20 school districts in Kentucky last year. They have both the school experience and the staff to handle a district of our size. They were also recommended from the Kentucky Department of Education.

Although I have not received an official quote from White and Associates as of the time of this memo, I should have more information at the board meeting on Monday, May 20, 2024. Per my conversation with Angie Slone of White and Associates I feel that the cost will be lower, if not significantly lower than the quote mentioned above.