



**TOWN OF KILL DEVIL HILLS**  
*Land Where Flight Began*

February 27, 2020

MEMORANDUM

To: Debbie Diaz, Town Manager

From: Beverly Kissinger, Finance Director  
Charlene Allen, Assistant Finance Director  
FY 2019-20 Audit Committee

*BK*  
*CA*

Re: June 30, 2020 Audit

An audit committee comprised of employees of the Finance, Fire, and Public Services departments met to review audit proposals that were submitted from three CPA firms. In selecting an accounting firm, it is important to select the firm, which will provide the very highest level of service. Each committee member evaluated the auditor/firm's educational and technical qualifications, and the firm best meeting the experience, and audit approach that is in the best interest of the town. Cost, while an important factor, was not the determining factor. The committee is unanimously recommending Potter & Company of Mooresville, NC, to perform the annual fiscal year end 2020 audit for the Town, with up to three additional years as a renewal option. The other two firms do not meet the same level of service as the Town has received from previous audit engagements.

One important aspect of this auditor recommendation that sets Potter & Company apart is the amount of partner and manager involvement in all phases of the audit, including field work, as well as the staff and time commitment allocated to the engagement. Their position is that a large on-site commitment from the partner and manager in charge of the engagement increases the efficiency and understanding in the audit process. Potter & Company has built in 230 hours of audit time for our engagement. Of these hours, the partner and senior staff will perform 93%, or 215 hours. This is the level of service provided by our previous audit engagements. One additional item to consider is their familiarity with the Outer Banks and challenges experienced by the local governments in this region.

The partner assigned to the audit, Bob Taylor, has earned the *Certificate of Educational Achievement in Governmental Accounting and Auditing*. Bob will keep us informed on new regulations and will be available throughout the year to provide assistance as needed. Bob is also an instructor for the Local Government Commission. Potter & Company has committed to

providing a successful and timely audit of the Town's internal controls, CAFR, and grants if required by the federal and state Single Audit Acts.

Potter & Company will adequately utilize their resources to assure prompt and professional service. Their staffing permits allocation of necessary time and resources to ensure that the Town of Kill Devil Hills will be a highly valued client to their firm. Their firm policy is to assign staff members who have previous experience on the engagement each year. The professionals assigned are expected to be on-site 85-95% of the time. Normally there are two staff members (one at the manager level), in addition to the partner in charge, assigned to the audit. Their experience and familiarity with numerous governmental audits allow for a comprehensive and efficient audit with minimal distraction to staff.

Potter & Company's great degree of experience in governmental accounting allows them to understand the Town's needs and provide answers to unique situations. They audit several clients that receive the GFOA Certificate of Achievement for Excellence in Financial Reporting including Dare County (25 years), Dare County Board of Education (10 years), Cabarrus County (15 years), City of Monroe (22 years), Town of Mooresville (18 years), Town of Matthews, (12 years), to name a few. These examples demonstrate what a knowledgeable resource Potter & Company would be for the Town, as well as exemplify the value they place on a long-term relationship.

**Town of Kill Devil Hills**  
 FY 19/20 Audit Proposals

Company	Current		Service Provided	Total Hours	Sr. Staff/ Partner Hours	Sr. Staff/Partner Percent of hours	FY 19/20 Average Hourly Cost	Hours			2020 Total Cost
	Governmental Clients	References						Partner	Sr. Staff	Staff	
Martin Starnes & Assoc Hickory, NC	City of Washington Lexington Tourism Authority (multiple)	Tammy Swindell 252-975-9301 John Overton 336-248-3925	Audit GFOA CAFR Audit	240.00	164.00	68%	\$ 100.00	8.00	156.00	76.00	\$ 24,000.00
Cherry Bekaert Raleigh, NC	Town of Wake Forest Town of Morrisville Town of Cary Fayettevill PWC	Aileen Staples 919-435-9461 Nancy Emslie 919-463-6170 Karen Mills 919-469-4380 Brenda Chester	Audit, GFOA, GASB 34, Single Audit Audit, GFOA, GASB 34, Single Audit Audit, GFOA, GASB 34, Single Audit Risk Advisory service	224.00	144.00	64%	\$ 125.00	20.00	106.00	124.00	\$ 28,000.00
Potter & Company Mooresville, NC office	Dare County  Union County  Dare County Airport Authority Stumpy Point Community Center Wanchese Community Center Rodanth-Waves-Salvo Community Center Hatteras Village Community Center	David Clawson, Finance Director 252-475-5731  Debbie Cox, Controller 704-283-3523	Financial & Compliance Audits, GASB 34, Assistance with CAFR  Financial & Compliance Audits, GASB 34, Assistance with CAFR  Financial Audits, Prep GASB 34 reporting Financial Audits, Prep GASB 34 reporting Financial Audits, Prep GASB 34 reporting Financial Audits, Prep GASB 34 reporting  Financial Audits, Prep GASB 34 reporting	230.00	215.00	93%	\$ 152.17	40.00	175.00	15.00	\$ 35,000.00