

Responses to the Questions for Wipfli LLP regarding the Resolution 17-1562

1. *What will the external audit look at?* Mary Jo Werner of Wipfli LLP received a call from Brenda Buddenhagen of the City of La Crosse regarding the review of transactions for six city parks for a time period of approximately three years. We discussed a different project where we performed processes that included: reviewing private donations, reserve and current accounts, invoices, and processes performed regarding the recording of transactions. We also conducted interviews with individuals with knowledge of the accounts. Based on what Ms. Buddenhagen indicated to me, this project would be similar in nature.

In this engagement, the City Council would determine what it wants us to review. A contact person for the City would be appointed so that we made sure we met the requirements efficiently.

For purposes of our response, we will use the word "audit." However, the term is "agreed-upon procedures."

2. *Why would we want to do an external audit instead of an internal audit?* The audit performed by Wipfli LLP will provide an objective and independent review of documents and other sources. We have expertise in the performance of agreed-upon procedures, including tracking and tracing of transactions, reviewing fund accounts, auditing of governmental agencies, forensic accounting, and consulting with nonprofit and governmental organizations. We have expertise in a variety of different business transactions. An internal audit would be performed by individual employees who report to someone in the City's management who may not have the expertise that our employees assigned to the project have.
3. *How would an external audit be any different than the annual audit the City already performs?* This audit would be specifically tailored to what the City Council wants over a specified period of time. It may include a review of transactions and accounting processes and procedures. The City Council is able to tailor the project to meet its desired objectives.

The City of La Crosse's annual audit already being performed provides assurances that the assets, liabilities, and fund balances of the City's balance sheet as of a single day are

verified by third party sources. In addition, funding sources and uses are audited by the CPA firm. The CPA firm makes the determination of what is audited and the City Council has no say in the process.

4. *What are the benefits to the City in performing an external audit?* In having the audit performed, the City can find answers to the questions it has. For instance, if the City is concerned that irregular transfers have been made between accounts, this project would answer this question. If the City Council wanted to know if the reserve funds were used correctly or what park projects exceeded budget, this project would assist in answering those questions. The purpose of the project would be defined by the City Council. Information we would retrieve and discover during an audit would enhance the City Council's knowledge regarding the parks and recreation department's finances so the City Council knows the taxpayer's money is being spent in a prudent manner.
5. *What have been the experiences of other organizations or municipalities with a process like this?* We have performed other agreed-upon procedures for organizations and entities for the purposes of providing process improvements, business transaction enhancements, and highlighting areas where errors may have occurred.
6. *Will you be making recommendations so that we can improve our financial systems moving forward?* The City Council determines what they want done and includes those terms in the engagement letter. The engagement letter will provide what tasks we are to perform.
7. *What measures can the City take to make this process easier and less time consuming for our internal financial experts?* Our recommendation would be to discuss what your goals are regarding the audit request and how it is going to impact the internal employees. What are some of their concerns? We would also recommend that a project manager be selected. This would assure greater efficiency and the likelihood of better outcomes.
8. *What is Wipfli's reputation and how will it help the City through the process?* Wipfli LLP has been in existence since 1930. It serves a variety of clients, both large and small, and provides consulting, accounting, tax, and other financial services to both for-profit and nonprofit organizations. Wipfli LLP is committed to its communities and has invested thousands of volunteer hours to help enhance the community in which it serves. Over a million dollars is invested by Wipfli LLP annually to provide its employees with continued

education so they can better serve the client base. Wipfli LLP currently has over 2,000 employees with a variety of different areas of expertise.

*Can you provide any information, testimonials, and municipal, or other government references?* Wipfli LLP currently provides audit and financial services to a variety of nonprofits and government organizations. Due to client confidentiality, we are not going to publicly disclose their names. Approximately 24% of the services provided by Wipfli LLP are provided to nonprofit and government organizations. We are one of the 20 largest CPA firms in the country.

9. *Will the audit look at public private partnership (P3) funds and their management?* At this present time, we have not seen any of the financial information for the City of La Crosse's Parks, Recreation, & Forestry Department, so we are unaware of any public private partnerships. If they exist, we will review them.