

## COUNCIL ACTION ITEM

### PROVISION FOR AUDIT SERVICES

September 14, 2023 Council Meeting

**Background Situation** (brief history of situation): At the August 4, 2008 board meeting, the Council accepted the recommendations of the Auditor Selection Committee's proposal rankings and empowered the Auditor Selection Committee to proceed to select an audit firm and negotiate a contract with the final firm selected. At the September 10, 2008 Council meeting, the Auditor Selection Committee's recommendation of Berger, Toombs, Elam, Gaines & Frank and the negotiated contract with that firm were presented. The Council accepted the recommendation to contract for the annual financial audit by Berger, Toombs, Elam, Gaines & Frank for fiscal years ending 09.30.08, 09.30.09, and 09.30.10 with annual fees of \$12,700, \$13,100, and \$13,500 for each year respectively.

The contract with the auditor provides for the annual extension of the original contract upon mutual consent of the Council and the Auditor. The contract specifies that in the event the contract is extended, compensation for each additional year will be negotiated at the time of extension. The following extensions have been approved by Council:

- April 14, 2011-Council vote extended contract to provide for FYE 09.30.11 audit at \$12,700.
- April 12, 2012-Council vote extended contract to provide for FYE 09.30.12 audit at \$12,700.
- April 11, 2013-Council vote extended contract to provide for FYE 09.30.13 audit at \$12,700.
- April 10, 2014-Council vote extended contract to provide for FYE 09.30.14 audit at \$12,700.
- March 12, 2015-Council vote extended contract to provide for FYE 09.30.15 audit at \$12,700.
- June 20, 2016-Council vote extended contract to provide for FYE 09.30.16 audit at \$13,500.
- March 9, 2017-Council vote extended contract to provide for FYE 09.30.17 audit at \$13,500.
- March 8, 2018- Council vote extended contract to provide for FYE 09.30.18 audit at \$13,500
- June 13, 2019- Council vote extended contract to provide for FYE 09.30.19 audit at \$13,500
- October 8, 2020- Council vote extended contract to provide for FYE 09.30.20 audit at \$13,500
- October 13, 2022- Council vote extended contract to provide for FYE 09.30.22 audit at \$13,500

**Current Situation** (why it is being brought to Council now): The contract with Berger, Toombs, Elam, Gaines & Frank provided for the audit and audit fees for the fiscal years ended 09.30.08, 09.30.09, and 09.30.10 with specific negotiated fees for those three fiscal years. Further, annual audit extensions provided for the audits for fiscal years ended 09.30.11, 09.30.12, 09.30.13, 09.30.14, 09.30.15, 09.30.16, 09.30.17, 09.30.18, 09.30.19, 09.30.20, 09.30.21 and 09.30.22. The audit for the fiscal year ended 09.30.22 has been completed and was presented to Council.

**Action** (requested or required of Council): The Council is being asked to:

1. Determine to either
  - a. Extend the current auditor contract for another year

OR

  - b. Place a new Request for Proposal for Auditor
2. Appoint Council representative(s) to either
  - a. Negotiate the extension of the current auditor contract

OR

  - b. Serve on an audit committee to pursue the proposal process of auditor selection by solicitation of new proposals.

**Team Recommendation:**

CSC Team remains independent of the Auditor Selection Process and accepts the recommendation of the Council.