



## MEMO

To: Mayor O'Brien and Members of City Council

From: City Audit Committee

Date: April 30, 2009

Re: Audit Committee Recommendation for Audit Services Agreement

The City's Audit Committee includes Council Members Phil Fitzgerald, Osama Shihadeh and Bob Bynum as well as City Administrator A.J. Johnson and Finance Director Nancy Lueck.

The Audit Committee met on March 16, 2009 to begin the process for selection of auditors for the five year period from fiscal year 2008/2009 through 2012/13. At that meeting the Committee reviewed and approved the draft Request for Proposals (RFP) for Auditing Services and the RFP mailing list. The RFP's were mailed to eight firms with the proposals due April 17th. The City received three proposals - McGladrey & Pullen LLP, Eide Bailly LLP, and Taylor, Rees, Beckey and Co.

The Audit Committee met on April 27<sup>th</sup> to review and discuss the proposals received as well as the summary of proposals prepared by the Finance Department. In reviewing the proposals, committee members noted the governmental auditing experience of both McGladrey & Pullen and Eide Bailly in auditing other area cities as well as their experience with clients receiving the Government Finance Officer's Certificate of Achievement for Excellence in Financial Reporting. The Committee then discussed the fee schedules for these firms noting that the fees for McGladrey & Pullen would be a minimum of \$12,290 less than those proposed by Eide Bailly over the five year period.

The Committee voted unanimously to recommend to the City Council that the contract for audit services be awarded to McGladrey & Pullen LLP for the five year period from 2008/2009 through 2012/13. The fees in the proposal are \$41,350, \$40,700, \$42,735, \$44,050 and \$45,400 respectively for the five years of the proposed contract.

We request this recommendation be placed on the City Council agenda for the May 7, 2009 meeting.