

Agenda Report

May 5, 2014 City Council Meeting

May 5, 2014

Item No. 9

ISSUE: Contract for annual audit services

BACKGROUND:

This year the City solicited an RFP for audit and compliance services. Of the four proposals sent out only Denman Company submitted a proposal. The proposal is in line with costs and services associated with previous years' audits. The contract is for a three-year period. At that time I will recommend the City go back to the State of Iowa for three years. The option of going from private sector to the state every three years will help to ensure a new set of eyes oversees the City's annual audit and compliance reports.

RECOMMENDATION:

Staff recommends the City Council approve the resolution authorizing the Mayor to enter into an agreement with Denman Company for Audit services

STAFF CONTACTS:

Jeffrey A. Fiegenschuh, City Administrator
Stacie Wright, Accounting Clerk

THE CITY OF WINDSOR HEIGHTS, IOWA

RESOLUTION 14-0523

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER AN AGREEMENT FOR THE CITY'S AUDIT FOR THE FISCAL YEAR ENDING 2014

IN THE NAME AND BY THE AUTHORITY OF THE CITY OF WINDSOR HEIGHTS, IOWA

WHEREAS, the City strives to be fiscally sound and provide high quality financial management for its residents; and,

WHEREAS, the City is required to complete an annual audit of its financial records; and,

WHEREAS, the State Auditor's Office completed the FY 13 audit for the City.

NOW THEREFORE, BE IT RESOLVED by the City Council for the City of Windsor Heights, Iowa, that the City Council authorizes the Mayor to enter into an agreement with Denman & Company, LLP for the City's audit for Fiscal Years 2014-2016.

PASSED AND APPROVED THIS 5th DAY OF May, 2014

Diana Willits, Mayor

Attest:

Jeff Fiegenschuh, City Administrator

AGREEMENT BETWEEN

**City of Windsor Heights, Iowa
and
Denman & Company, LLP**

THIS AGREEMENT made and entered into this 5th day of May, 2014, by and between The City of Windsor Heights, hereinafter called "City" and Denman & Company, LLP, hereinafter called "CPA."

WHEREAS, the City wishes to obtain the services of the CPA to perform an audit in accordance with Section 11.6 of the Code of Iowa, for the fiscal years ending June 30, 2014, 2015 and 2016; and

WHEREAS, the CPA is equipped and staffed to perform the above audit; and

WHEREAS, this agreement is in the public interest in fulfilling the requirements of Chapter 11 of the Code of Iowa.

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED:

1. That the CPA will
 - A. Provide auditors of various classifications and for the required hours as detailed in 2.A of this agreement.
 - B. Begin work on the audit engagement as specifically agreed upon with the City.
 - C. Perform all work in accordance with generally accepted auditing standards, Government Auditing Standards, and applicable federal requirements.
 - D. Immediately inform the City officials, the Auditor of State, and County Attorney if the audit discloses any irregularity in the collection or disbursement of public funds.
 - E. Provide access of the working papers to the Auditor of State in accordance with Chapter 11 of the Code of Iowa.

Conditions of Payment:

A. It is understood that the fees for the services set forth above shall be reimbursed at the following hourly rates:

<u>Classification</u>	<u>Estimated Hours</u>	<u>Hourly Rate</u>
Partner	10	\$220
Manager	30	150
In-charge	55	110
Staff	45	90

B. The CPA shall present an invoice for services in the following manner: 1) A progress billing after any interim work is performed and/or 2) In full or balance owed after the audit and report are completed.

C. Payment shall be made within 45 days of receipt of invoice.

D. The total reimbursement shall not be for more than the amounts included in our proposal dated April 30, 2014 except as specifically agreed in writing by the City and the CPA.

Termination of Agreement:

A. The City may terminate this contract without notice if the CPA fails to perform the covenants or agreements contained herein.

B. The CPA shall be paid for all work satisfactorily performed to the date of termination.

IN WITNESS THEREOF, the City and CPA have executed this AGREEMENT as of the date indicated below:

Denman & Company, LLP

City of Windsor Heights

By David J. Ell

By _____

Title Partner

Title _____

Date 5-5-14

Date _____