

AGENDA ITEM #: _____

DATE: May 13, 2019

CAR #: 2019-6647



CITY COUNCIL ACTION REPORT

SUBJECT: The Audit Subcommittee will present the recommended audit firm to City Council

STAFF PRESENTER(S): Jared Askelson, Finance Manager, Financial Services

OTHER PRESENTER(S): None

Summary: The Goodyear Audit Subcommittee recommends HintonBurdick, PLLC to the City Council to perform the annual audit of the City's financial statements.

Recommendation:

Accept the recommendation of the Audit Subcommittee selecting HintonBurdick, PLLC to perform the annual audit of the City's financial statements.

Fiscal Impact:

Professional fees for auditing services are included in the operational budgets of the City and will range in cost from \$61,250 - \$78,875 annually, depending upon the services to be provided in each fiscal year. In addition to the City audit processes annual audits of the Community Facilities Districts are also performed at a total annual cost to the Districts of \$15,750 - \$17,725.

Background and Previous Actions

The City of Goodyear is required by Arizona Revised Statute 9-481 and Goodyear City Charter Article VI, Section 7 to have an audit conducted by a certified public accounting firm on an annual basis. The accounting firm shall perform an independent audit of accounts and financial transactions of the City to verify that the financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP). The procedures performed by the audit firm must be in accordance with Generally Accepted Auditing Standards (GAAS). The Council established the City Council Audit Subcommittee in part to recommend to Council an independent firm to perform the annual audit of the City.

With the expiration of its previous contract, the City solicited proposals for auditing services and received offers from six firms. Staff reviewed the proposals and brought forth a recommendation to the Audit Subcommittee. After review, the Audit Subcommittee affirms

staff's recommendation and asks that the Council accept their recommendation for HintonBurdick, PLLC to perform the annual audit of the City's financial statements.

Staff Analysis

HintonBurdick, PLLC has an established reputation for providing quality governmental auditing services over the past 30 years. The firm's main area of audit focus is local government, with them performing audits for more than 100 governmental clients in Arizona, Colorado, Nevada and Utah on an annual basis.

Audit staff assigned to the City will consist of a Partner, a Manager and a Senior Level Certified Public Accountant from the Gilbert, Arizona and St. George, Utah offices. Our assigned audit staff will have over 50 years combined municipal audit experience, with experience specific to the use of Tyler Technologies/Munis governmental accounting software. Additionally, HintonBurdick, PLLC has experience in performing the external review of Arizona courts in accordance with the Court Minimum Accounting Standards.

HintonBurdick, PLLC will provide the following items within the scope of this contract:

1. An independent auditor's report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
2. An independent auditor's report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with government auditing standards.
3. An independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.
4. A schedule of findings, recommendations and questioned costs (if applicable) including a management letter detailing areas that could be improved.
5. A summary schedule of prior audit findings and corrective action plan (if applicable).
6. A report on compliance for the Minimum Accounting Standards (MAS) of the Goodyear Magistrate Court to satisfy Arizona Supreme Court, Administrative Office of the Courts (AOC) requirements, when required.
7. Auditor's letter of recommendations to management.

8. An independent auditor's report on the Annual Expenditure Limitation Report (AELR) prepared in compliance with Arizona Revised Statutes §41-1279.07.
9. The Comprehensive Annual Financial Report.
10. Community Facilities Districts Annual Financial Reports, including ten independent auditor's reports.
11. An independent auditor's report on the City's land use assumptions, infrastructure improvements plan and development fees, on a biennial basis.

Attachments

None