

MEMORANDUM

October 6, 2020

TO: Honorable Mayor and City Commission

VIA: James Slaton, Interim City Manager

FROM: Dorothy Abbott, Finance Director

RE: Auditing Services Agreement and Audit Engagement Letter

SYNOPSIS: *Acceptance of Carr Riggs & Ingram CPA and Advisors for professional auditing services for fiscal year ending September 30, 2020 thru 2024, with the option to renew for an additional five year.*

RECOMMENDATION

The Audit Selection Committee recommended that the City Commission approve:

- 1) Carr Riggs & Ingram CPAs and Advisors for professional auditing services.

Staff recommends that the City Commission:

Authorize the Interim City Manager to execute the Auditing Service Agreement between the City of Lake Wales and Carr Riggs & Ingram CPA and Advisors, after approval by the City Attorney; and ,

BACKGROUND

On August 7, 2020, a request for proposal for professional auditing services was issued. On August 18, 2020, in compliance with state statute 218.391, the City of Lake Wales established an audit committee. The primary purpose of the audit committee is to assist the governing body in selecting an auditor to conduct the annual financial audit. The Audit Selection Committee met on September 21, 2020 to:

- 1) Evaluate proposals provided by qualified firms.
- 2) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established within the RFP.

The audit selection committee members who evaluated the firms were:

Eugene Fultz

Violeta Salud

Rodney Cannon

The audit selection committee top three firms, in order of preference, were:

- 1) Carr, Riggs & Ingram
- 2) Cherry Bekaert
- 3) Purvis Gray & Co

The audit selection committee recommends awarding the auditing services agreement to Carr, Riggs & Ingram.

Evaluation factors included the firm's experience/performance on comparable government engagements (20 points), Quality of firm's professional personnel to be assigned to engagement (20 points), Price quote for service (20 points), adequacy of audit approach (20 points), approach to the management letter (10 points), and familiarity with Certificate of Achievement in Financial Reporting (10 points) to a total of 100 possible points from each evaluator with an aggregate possible evaluation score of 400 points for each firm.

The Auditing Service Agreement is for a period of five years with the option to renew for an additional five years. The agreement may be terminated at will by the City at any time by giving thirty (30) days written notice thereof or at the end of any year by refusing to sign the succeeding years' annual engagement letter. The Auditors may terminate the Agreement at the end of any year by simply refusing to sign the succeeding years' annual engagement letter.

FISCAL IMPACT

The all-inclusive maximum price for audits fee for the City audit report and interim work will not exceed \$63,000 for 2019/2020 audit. The next four years have all-inclusive maximum price options of:

2020/2021	\$ 63,000
2021/2022	63,000
2022/2023	63,000
2023/2024	63,000

ATTACHMENT

Audit Selection Committee – Ranking Totals – Professional Auditing Services

Copies of proposals received are available thru the Purchasing Agent's Office, Attn: Stephanie Edwards.