



## City Manager's Office

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To: Mayor Dennis Green, City Council, & City Manager  
From: Dalton Rice, City Manager  
Date: December 13, 2022  
Subject: Audit Course of Action FY 2023

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Honorable Mayor and City Council:

Audits have been a burdensome obstacle over the past couple of years and while Cary and I anticipated a less challenging resolution I regret to say we have hit another turning point that requires Council's guidance and decision.

Lott Vernon, MPR's long standing audit firm, does not have the staffing model to accommodate the cleanup of past due audits and communication between the firm and city management has not been as effective or productive. Over the past two years there has been disconnect on both the City and audit firm resulting in where we are today. Sole culpability cannot be placed on any one party.

Administration reached out to BrooksWaston & Co. who provide audit services to cities of Bellmead, Taylor, McGregor, and others in Central Texas. Below are options to be considered for approval:

Option 1: Approve letters of engagement with BrooksWatson & Co. for FY 2021, 2022, and a separate letter of engagement for 2023.

This option focuses on current audits under new administration to ensure our internal controls and budget planning/implementation aligns with the goals and expectations of city council under new administration. The three (3) audits would be completed and caught up with the 2023 audit schedule.

FY 2019 and 2020 audits (prior administration) could be completed at the pace of Lott Vernon or after completion of FY 21, 22, and 23 could be completed by BrooksWatson should Council decide this option at a later date.

Option 2: Continue with Lott Vernon to complete FY 19, 20, 21, and 22 in order at their pace with an unknown timeline or cost.

Staff recommends moving forward with letters of engagement from BrooksWatson & Co. for 2021, 2022, and 2023 audits to get updated audits without delaying future audits.