



## FINANCE DEPARTMENT

**To:** Mayor and Town Council

**From:** Robert B. Scott, Executive Director of Administrative Services

**Through:** Ron K. Patterson, Interim Town Manager

**Re:** Audit Services

**Town Council Meeting – September 13, 2022**

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**Agenda Item:**

Consider authorizing the Town Manager to amend an existing contract by changing the scope of services with Pattillo, Brown Hill L.L.P. (PBH) from external audit services to professional services for an amount not to exceed \$45,000.00.

**Description of Agenda Item:**

Pattillo Brown Hill is in the fifth and final year of serving as external financial auditor for the Town's audited financial statements. Recently the Town experienced significant turnover in the Finance Department, including the resignations of the Finance Director and the Accounting Manager. Given the timing of the resignations, it will be impossible to hire and train replacements prior to the Town's September 30, 2022, year-end. Having audited the Town's financial records for the past four years, PBH is familiar with Prosper's financial records and has offered to provide assistance with year-end close and preparation of the financial statements. The Town has already issued a Request for Proposal for new auditors for the FY 2022-2026 audits.

Specific agreed upon services include:

- 1) Conducting a planning meeting in mid-September to identify needs and timing of assistance;
- 2) On-site assistance with year-end closing at the end of September;
- 3) Periodic availability to answer questions as staff continues with year-end processes and assist with the preparation of schedules requested by the auditors;
- 4) Preparation of financial statements, notes, and formatting of statistical section;
- 5) Evaluation of internal controls and processes to assist new staff in the achievement of their objectives; and
- 6) Assistance in implementing new GASB's or addressing GFOA prior year Certificate comments.

**Budget Impact:**

Amounts sufficient to pay for the described services were previously budgeted for the audit. Upon award of the new audit contract a budget amendment will need to be approved.

**Legal Obligations and Review:**

Terrence Welch of Brown & Hofmeister, L.L.P., has reviewed the foregoing documentation as to form and legality.

**Town Staff Recommendation:**

Town staff recommends the Town Council to approve authorizing the Interim Town Manager to amend an existing contract by changing the scope of services with Pattillo, Brown Hill L.L.P. (PBH) from external audit services to professional services for an amount not to exceed \$45,000.00.

**Proposed Motion:**

I move to approve authorizing the Interim Town Manager to amend an existing contract by changing the scope of services with Pattillo, Brown Hill L.L.P. (PBH) from external audit services to professional services for an amount not to exceed \$45,000.00.