

City of Richwood — TEXAS —

AGENDA MEMORANDUM ITEM # 2025-R-

CONTACT: Patricia Ditto, Finance Director

SUBJECT: Audit for FY25 and FY26

SUMMARY: Discuss if we can continue to work with Pattillo, Brown & Hill (PBH) or go out for RFQs.

We have a quote for FY25 and FY26 from PBH at \$43,800 per year, which is the same price we have paid beginning in 2022. By not having to prepare a presentation for an RFQ, they are passing the savings to us and not increasing our cost.

GFOA best practices states:

- Governmental entities should enter into multi-year agreements of *at least five years* in duration when obtaining the services of independent auditors. Such multi-year agreements can take a variety of different forms (e.g., a series of single-year contracts) consistent with applicable legal requirements. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Multi-year agreements can also help to reduce audit costs by allowing auditors to recover certain "startup" costs over several years, rather than over a single year.

BACKGROUND INFORMATION:

PBH has performed our financial audits beginning with FY21.

They were one of 3 firms that responded to an RFQ.

FISCAL IMPACT:

\$43,800 per year if we continue with PBH; to be determined if we go out for RFQs

RECOMMENDATION: Staff recommends that we continue with PBH for the 2 years as quoted.

Thank you,

Patricia Ditto, Finance Director