

To: City Council
RE: Approval of Contract or Invoice
John Walsh City Administrator
Gloria Butsch Finance Director



STATEMENT OF ISSUE

Authorization to proceed with a new audit contract with Clear Trail CPAS.

BACKGROUND

A financial audit is required every year and is a fixed expenditure within the budget.

The City's current auditor is Pauly, Rogers & Co., PC (P&R). A partner and his team from P&R are transitioning to a new firm, Clear Trail CPAS on January 1, 2025.

The annual cost of audit services exceeds the City Administrator's authority.

In September 2024 the City Council adopted the revised Purchasing Policies.

DISCUSSION

Even though the audit services contract and budget are approved during the budget process, the dollar amount of the contract exceeds the City Administrator's purchasing authority. To provide transparency and to ensure that the City's policies and procedures are followed, the contract is presented for Council approval.

The appropriation of audit services is exempt from the bidding process. Additionally, it is extremely difficult to obtain audit services in today's environment.

FISCAL IMPACT

The contract is within the scope of the budget that was approved by the Budget Committee and adopted by the City Council.

RECOMMENDATION

City staff recommend approving the intent to award the contract for audit services to Clear Trail CPAS for the annual amounts shown in the attached quote.