

TO: City Council
FROM: Troy Niemeyer, Finance Director
DATE: September 19, 2023
SUBJECT: Audit Engagement Letter with the State Auditor's Office

1) Recommended Action:

Authorize the Mayor to sign the attached Audit Engagement Letter (Attachment "A") between the City and the State Auditor's Office.

2) Background:

The City receives annual audits from the State Auditor's Office (SAO). These audits are required by state law. The audits covered with this engagement letter are the annual Financial Statement audit for fiscal year 2022 and Accountability audit. For the last two years the Accountability audit was postponed at SAO's request due to staffing issues at SAO. As a result, this Accountability audit will cover 2020, 2021, and 2022. Staff have informed SAO that we wish to go back to, and remain on, a one-year cycle for Accountability audits.

3) Policy Support:

Be fiscally responsible and develop sustainable financial strategies.

4) Alternatives:

- ☐ Do not authorize the Mayor to sign the agreement. However, these audits are required by state law.
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5) Fiscal Notes:

The cost of the audit in this engagement letter is \$88,500. The estimated annual audit costs are included in the biennial budget.

6) Attachments:

- A. Audit Engagement Letter with the State Auditor's Office.