

TO: City Council
FROM: Troy Niemeyer, Finance Director
DATE: January 18, 2022
SUBJECT: Audit Engagement Letter

1) Recommended Action:

Staff request and recommend the City Council authorize the Mayor to sign the attached Audit Engagement Letter (Attachment "A") between the City and the State Auditor's Office (SAO).

2) Background:

The City receives annual audits from the State Auditor's Office. Due to staffing issues at SAO, the 2020 audits are later than expected this year. The audits covered with this engagement letter are the Financial Statement audit and the Single audit. The annual Accountability audit is being postponed at SAO's request, and we will receive a two-year Accountability audit later this year to cover 2021 and 2020.

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 and federal law.
-

5) Fiscal Notes:

The cost of the audits in this engagement letter are \$52,900. The estimated annual audit costs are included in the biennial budget.

6) Attachments:

- A. Audit Engagement Letter
- B. Entrance Conference Invitation