



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: March 21, 2022		Subject: Resolution No. 2966 Resolution for the selection of the CPA firm, Grove, Mueller, & Swank P.C. to provide audit services for the City and the Urban Renewal Agency Staff Member: Keith Katko, Finance Director Department: Finance Department	
Action Required		Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: Staff recommends Council approve the Consent Agenda.			
Recommended Language for Motion: I move to approve the Consent Agenda.			
Project / Issue Relates To:			
<input checked="" type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

To select Grove, Mueller, & Swank P.C., a qualified certified public accounting firm (Auditor) to perform auditing services for the City and the Wilsonville Urban Renewal Agency for a contract period of three (3) years with an option to extend the contract for two (2) additional one (1) year contract extensions.

The Auditor will be responsible for performing auditing services for the City and the Wilsonville Urban Renewal Agency for each of fiscal years 2022, 2023, and 2024 pursuant to Generally Accepted Accounting Principles (GAAP), Generally Accepted Auditing Standards (GAAS), and Governmental Auditing Standards (GAS), and in compliance with federal, state, and local laws and regulations.

Additionally, the Auditor shall provide that observations, opinions, and comments concerning the inadequacies of internal control or other weaknesses, and recommendations as to corrections of these weaknesses, will be included in a separate management letter, addressed to the Mayor and City Council.

EXECUTIVE SUMMARY:

Pursuant to state law and the City's Comprehensive Financial Management Policies, the City shall have an annual financial and compliance audit, and prepare financial statements based on the audited financial information. The audit shall be performed by a certified public accounting (CPA) firm, licensed to practice as Municipal Auditors in the State of Oregon.

As best practice, the City seeks request for proposals (RFP) for audit service at the term of any existing audit contract. The City's previous audit contract with the CPA firm of Merina+Co. ended December 31, 2021. The City had contracted with Merina, P.C. for a five-year period beginning with Fiscal Year 2016-17.

In January 2022, the City sought out requests for proposals from qualified certified public account firms to perform auditing services. The City received two (2) proposals back. Based on an evaluation process considering the proposer's Oregon municipal audit experience, Government Finance Officers Association reporting program knowledge, approach to the project, and their cost effectiveness, an audit selection review committee selected Grove, Mueller & Swank, P.C. subject to your confirmation.

EXPECTED RESULTS:

Contract approval with Grove, Mueller & Swank P.C. and their subsequent performance of required audit services.

TIMELINE:

The Initial Term covers tax audit years July 1, 2021 through June 30, 2022, July 1, 2022 through June 30, 2023, and July 1, 2023 through June 30, 2024.

CURRENT YEAR BUDGET IMPACTS:

Initial contract fee is not to exceed \$38,500. The Single Audit fee, if required would be \$7,500 for the first Single Audit major program. Each additional Single Audit major program would be an additional \$4,000. A Single Audit is required when the City spends more than \$750,000 of federal funds in one year. Any portion of the audit service performed in the current year would have a current year impact.

COMMUNITY INVOLVEMENT PROCESS:

N/A

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY:

N/A

ALTERNATIVES:

N/A

CITY MANAGER COMMENT:

N/A

ATTACHMENT:

- A. Professional Service Agreement for Auditing Services