


City Council Agenda Items
and
Contracts, Leases or Agreements

12/4/12
City Council Meeting Date
Agenda Items Only

Marsha Hertweck 
Submitted By

Accounting and Audit
Division

Finance and Internal Services
Department

Action Required:

Approve a five year contract with Grant Thornton for annual audit services.

\$ 82,500.00
Cost of this request

\$ 82,500.00
Category / Project Budget

Program Category / Project Name

various funds
Account Number

\$ -
Funds Used to Date

Program / Project Category Name

Project Number

\$ 82,500.00
Remaining Balance

Fund Name

Budgeted Item

Budget Adjustment Attached

Paul A. Beck
Department Director Date

Previous Ordinance or Resolution # _____

Many changes for contract. Kit
City Attorney Date 11-19-12

Original Contract Date: _____

Original Contract Number: _____

Paul A. Beck
Finance and Internal Services Director Date 11-20-2012

Received in City Clerk's Office 11-15-12 P03:05 RCY
Kimi J.

Alma A. Manz
Chief of Staff Date 11-20-12


Received in Mayor's Office
ENTERED 11/19/12
PK

Frederick Jordan
Mayor Date 11/20/12

Comments:

To: Mayor Lioneld Jordan and the Fayetteville City Council

Thru: Paul Becker, Finance Director

From: Marsha Hertweck, Accounting Director 

Date: November 16, 2012

Subject: Annual Audit

Recommendation

Approval of a five year contract with Grant Thornton for annual audit services beginning with the 2012 audit.

Discussion

The City is required, under Arkansas statutes and applicable bond issues, to have an annual financial audit conducted by either Legislative Audit or a Certified Public Accounting firm licensed in Arkansas. Because of the requirements of bond indentures, the City has for the past thirty plus years utilized the services of a private CPA firm to perform these mandated financial audits.

Grant Thornton was selected by the City following the applicable rules and regulations concerning the procurement of auditing services for a five year contract beginning with the 2012 audit. Under this contract Grant Thornton will provide an annual audit of the City's financial statements and a review of the City's internal control system as required by state law. In addition to the financial audit, Grant Thornton will issue a report on internal control and compliance requirements for major federal award programs as required by the Single Audit Act. The single audit is the primary mechanism used by federal agencies to ensure accountability for federal awards to non-federal entities.

Finally, Grant Thornton will also provide technical assistance to the City in producing the Comprehensive Annual Financial Report (CAFR). The CAFR includes the City's financial statements as well as statistical information required by the City's bond covenants.

Budget Impact

The cost of the 2012 audit is \$82,500. The audit will be budgeted in General Fund and allocated to the various funds of the City.