

FY 2021 Audit

PRESENTED BY:

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ASSISTANT FINANCE DIRECTOR

External Audit Services



External audit ensures City records are properly maintained, free from material misstatement, and comply with established concepts, principles, and accounting standards



Provides a true and fair view of the financial statements of the City



Required under the provisions of the City Charter



Required by State Statute

Communication of Audit

Comprehensive Annual Financial Report and
Financial and Compliance Reports on Federal
and State Grants “Single Audit Report”

Financial and Compliance Report on
Passenger Facility Charge Program

Agreed Upon Procedures of Financial
Assurance for TCEQ

Management Letter on Internal Control

June 2017

Contract awarded to Grant Thornton for three years with two (one) year extensions for FY 2017 – 2021

Ordinance 2017-06-15-0450

June 2020

Assigned contract to BKD
Extended the contract for FY 2020

Ordinance 2020-06-18-0423

April 2021

Second and final extension request on this contract for FY 2021

Contract History

Contract Fees

Grant Thornton Contract (assigned to BKD in FY2020)

- \$4,485,000- Total Pricing/Fees for 5 year contract term
 - \$830,000 – Fiscal Year 2017
 - \$860,000 – Fiscal Year 2018
 - \$895,000 – Fiscal Year 2019
 - \$930,000 – Fiscal Year 2020
 - \$970,000 – Fiscal Year 2021*

* Base fee

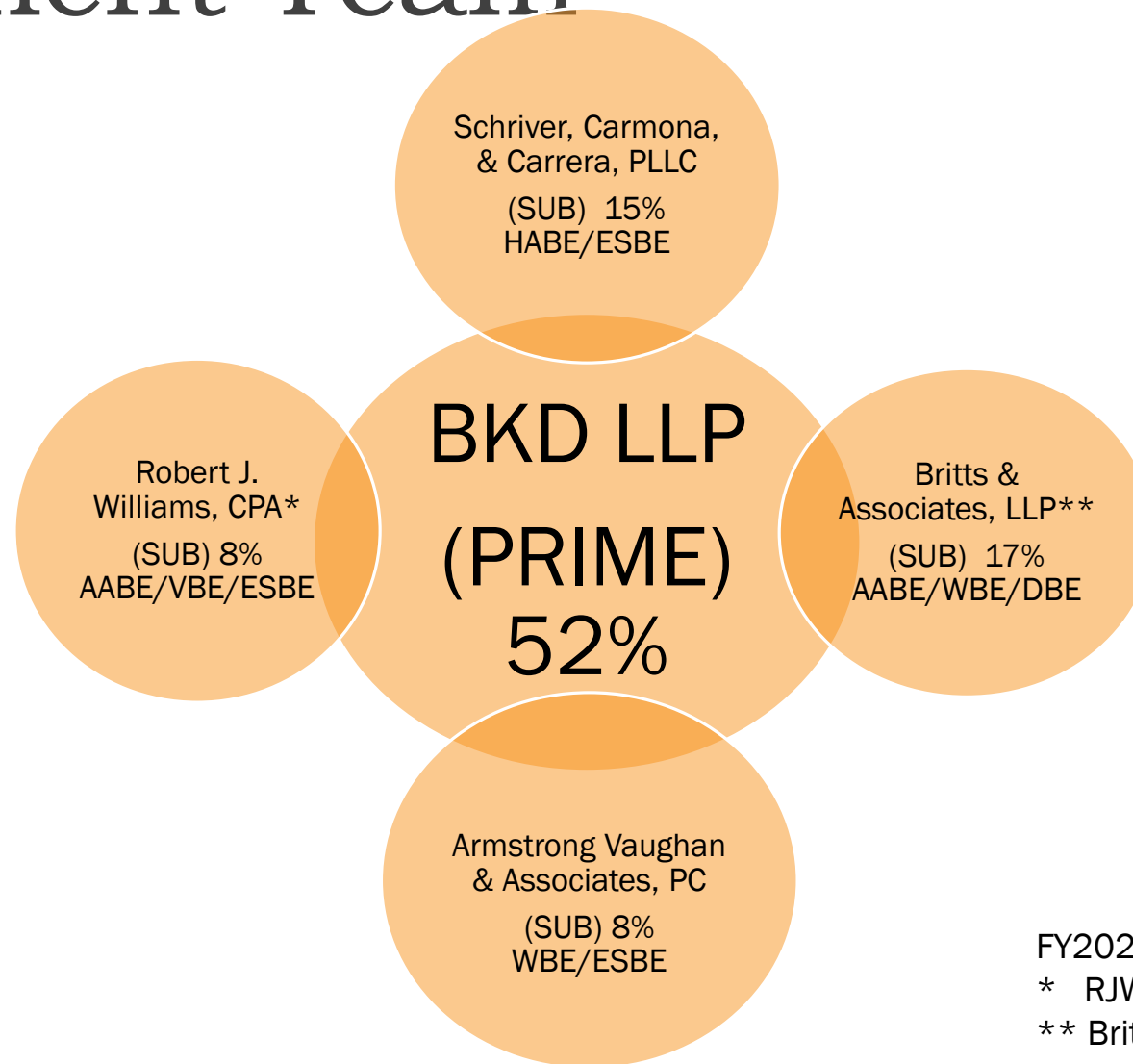
Base FY2021 Audit Fee (8 programs)	\$970,000
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Estimated Incremental Costs (12 additional programs)	\$144,000
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Recommended amended audit fee for FY2021	\$1,114,000
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Incremental Cost Calculation

Engagement Team



FY2021 Engagement reflects:

* RJW decreased by 2%

** Britts & Associates increased by 2%

External Audit Contract Next Steps

FY2021 Audit

- ❑ October 2021 – Required communication with the Committee
- ❑ March 2022 – External Audit Results

New Contract

- ❑ September/November 2021 – Contract Pre-solicitation to the Committee

Conclusion

The City recommends second and final contract extension with BKD for FY2021 audit in an amended amount not to exceed \$1,114,000