



City of San Antonio

Agenda Memorandum

File Number:21-2846

Agenda Item Number: 8.

Agenda Date: 4/20/2021

In Control: Audit and Accountability Committee

**CITY OF SAN ANTONIO
FINANCE DEPARTMENT
INTERDEPARTMENTAL MEMO**

TO: Erik Walsh, City Manager

FROM: Troy Elliott, CPA, Deputy Chief Financial Officer, Finance Department

COPIES: Audit Committee; Ben Gorzell, Jr., Chief Financial Officer

SUBJECT: Second and Final Extension of the External Audit Contract for FY2021

DATE: April 20, 2021

On June 15, 2017, Ordinance Number 2017-06-15-0450 was passed executing an audit services contract with Grant Thornton, LLP to provide independent audit services for fiscal years ending September 30, 2017, 2018 and 2019. The contract also permitted for two separate one-year extensions for fiscal years 2020 and 2021.

On June 18, 2020, Ordinance Number 2020-06-18-0423 was passed assigning all of Grant Thornton's right, title, and interest in the independent audit services contract to BKD, LLP. This ordinance also executed the first extension of the audit services contract with BKD to provide independent audit services for fiscal year ending September 30, 2020.

City staff recommends an amendment to the second and final extension of the external audit contract with BKD for fiscal year 2021 at an amount not to exceed \$1,114,000. The contract includes a base fee for FY2021 of \$970,000 that only covers eight single audit programs tested across the state and federal grants. Due to the continued receipt of COVID-19 grant funds, the Finance department estimates the City will see a significant increase in the single audit programs that will meet the criteria to be audited in fiscal year 2021. The contract establishes an incremental fee of \$12,000 per single audit program above the base. With the anticipated increase in COVID-19 grants over the course of the year, Finance is recommending an amendment for 12 additional single audit programs at an incremental cost of \$144,000 for a total of 20 single audit programs at an amended contract price not to exceed \$1,114,000.

We are requesting an item be placed on the April 20, 2021 agenda of the Audit and Accountability Committee to discuss the second and final extension of the external audit contract with BKD.

If you should have any questions or require additional information, please feel free to contact me at (210) 207-8604.