

**OFFICE OF THE CITY MANAGER  
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-247  
JUNE 17, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
SELECTION OF AUDITOR	◆ RESOLUTION ORDINANCE RECEIVE/FILE	MARK DURHAM COMPTROLLER

**SYNOPSIS —**

The Auditor Selection Committee has evaluated proposals received from certified public accounting firms interested in performing the City's annual audit. The evaluation was performed using pre-determined criteria as suggested by the Government Finance Officers Association. The Auditor Selection Committee recommends selection of the firm of KPMG Peat Marwick LLP. The Finance Department has worked with the Legal Department to draft the contract for audit services.

On the June 17, 1996, Council agenda there will be a resolution authorizing the Mayor to sign the contract with KPMG Peat Marwick LLP for the 1996 audit for a fee not to exceed \$70,000. The contract must be implemented at this time to allow the auditors to perform required year-end verifications on June 30, 1996. Contracts for the years 1997 and 1998 will be presented to Council for authorization each subsequent year.

**FISCAL IMPACT —**

The stated fee of not to exceed \$70,000 is provided for in the Operating Budget.

**RECOMMENDATION —**

**Approval of KPMG Peat Marwick LLP to perform the audit of the City's June 30, 1996, Comprehensive Annual Financial Report.**

**BACKGROUND —**

Requests for Proposals were sent to five public accounting firms and the Auditor of the State of Iowa. Notice of availability of the City's request for audit proposals was published April 9, 1996 in the Des Moines Register. Bids were received from two firms. KPMG Peat Marwick LLP proposed a fee of \$70,000 for each of the three years for a total of \$210,000. The proposal from Deloitte and Touche LLP for the three-year period was for \$89,750, \$94,750, and \$99,750. The three-year total is \$284,250.

Two other accounting firms and the State Auditor did not bid. Each advised that they lacked available staff to perform the audit.