



Council Communication No. 97-266

SYNOPSIS –

A contract has been prepared with KPMG Peat Marwick LLP for the second year of the three-year period for a fee not to exceed \$70,000. The contract will allow work to begin on the annual audit for the year ending June 30, 1997. This second-year contract for \$70,000 is consistent with KPMG Peat Marwick' s original three-year proposal. The contract for the final year, June 30, 1998, of the three-year engagement, will be presented to Council for authorization a year from now.

FISCAL IMPACT –

The stated fee of \$70,000 is provided for in the Operating Budget.

RECOMMENDATION –

Approval of the contract between the City and KPMG Peat Marwick LLP to perform the annual audit of the City' s finances for the year ending June 30, 1997, including the single audit required by the federal government for governmental entities receiving Federal funds.

BACKGROUND –

One year ago, 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 was \$284,250. Council selected KPMG Peat Marwick LLP to be the City' s independent auditor at the June 17, 1996, Council meeting by Roll Call No. 96-2232. (Two other accounting firms and the State Auditor did not bid. Each advised that they lacked available staff to perform the audit.)