

**CITY COUNCIL
COMMUNICATION:**

03-067

AGENDA:

FEBRUARY 10, 2003

SUBJECT:

RENEWAL OF
CONTRACT WITH
CITY'S INDEPENDENT
FINANCIAL AUDITOR

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

MERRILL R. STANLEY
FINANCE DIRECTOR

ITEM _____

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

SYNOPSIS —

For the past three years, McGladrey & Pullen, LLP (Sarah Bohnsack, Partner, Davenport, IA) has been the City's independent financial auditor. Their contract provides for two one-year renewals. We are recommending that the first one-year renewal be granted.

FISCAL IMPACT —

The contract specifies an increase equal to the Consumers Price Index from their current contract price of \$72,500. The CPI increase of 2.03 percent would result in a new contract price of \$73,972.

RECOMMENDATION —

Approval of first one-year renewal of contract with McGladrey & Pullen, LLP, as the City's independent financial auditor.

BACKGROUND —

A Request for Proposals was issued on April 25, 2000 for independent audit services. Three firms submitted proposals, with the next lowest quote being \$40,000 higher than McGladrey & Pullen, LLP.

McGladrey & Pullen, LLP has performed well as the City's auditors during the past three years. The past two years' Comprehensive Annual Financial Reports (CAFRs) have been presented earlier than any time in the past 30 years. They were instrumental in assisting with the conversion to the GASB 34 reporting format.

The Finance Accounting staff will be extremely busy over the next six months installing an upgrade to the PeopleSoft financial reporting system. Our preference is to not commit resources for an RFP process and familiarizing new auditors with our financial systems and procedures at this time.

