


COUNCIL COMMUNICATION

	Number:	21-281	Meeting:	June 28, 2021
	Agenda Item:	43	Roll Call:	21-0994
	Submitted by:	Nickolas Schaul, Finance Director		

AGENDA HEADING:

Extension of professional services agreement (PSA) with RSM US LLP (RSM) to provide auditing services for fiscal year (FY) 2020/21.

SYNOPSIS:

Recommend approval of a 1-year extension to expiring agreement with RSM to provide services as the City's independent auditor for good cause.

FISCAL IMPACT:

Amount: \$122,230

Funding Source: FY2022 Operating Budget under:

- Housing: \$35,900 – HS001000 – Housing Services page 104
- City Operations: \$86,330 – FN080000 – Finance Accounting page 69

ADDITIONAL INFORMATION:

- Background: beginning with FY 2015, RSM has provided the City, Housing Authority and Water Reclamation Authority with audit and reporting services related to their respective financials. This includes work related to the single audit over federal funds and a review of the City's controls over the same. During this time, RSM has gained a significant understanding of the City's normal operations and provided a great deal of expertise on how best to revise the nature of those operations to better achieve the City's goals.
- Good cause: due to unprecedented changes and stressors on the City's control environment related to the COVID-19 pandemic and changes to business practices related thereto, as well as new federal funding which impacted both FYs 2020 and 2021, staff recommends extending the current agreement for audit services with RSM for one (1) year to cover the fiscal 2021 audit. We believe that RSM's history and knowledge garnered from auditing the City over the past six (6) FYs will better position them to assess the City's operations during the unusual circumstances of the past year. Additionally, due to the way CARES Act funding was pushed out by the federal government, the disbursements have impacted both fiscal 2020 and 2021, but

the requirements for compliance reporting were not completely known during FY 2020 reporting. Because of this, RSM has effectively begun the audit over these funds and would be best positioned to see that process through to completion without requiring additional review of prior year operations.

PREVIOUS COUNCIL ACTION(S):

Date: June 22, 2015

Roll Call Number: [15-1049](#)

Action: [Selection](#) of McGladrey & Pullen, LLP as the City's independent auditor and directing the negotiation of a contract. ([Council Communication No. 15-336](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.