



Legislation Text

File #: 15-0116, **Version:** 1

TITLE:

Independent Audit Contract for FY 2014-15

PURPOSE: To award contract for the Town's annual independent audit for the fiscal year ending June 30, 2015.

DEPARTMENT: Finance

CONTACT INFORMATION: Arche L. McAdoo, 918-7439

INFORMATION: The Local Government Budget and Fiscal Control Act (LGBFCA) requires each local government to prepare an annual financial report on their financial position at the end of the fiscal year and financial results of operations. The LGBFCA also requires that this financial report be audited by an independent certified public accountant.

Dixon Hughes Goodman LLP, the Town's independent auditor, has submitted a contract to audit the Town's accounts and letter of engagement for the fiscal year ending June 30, 2015. The audit cost is estimated to be \$50,000. This cost is unchanged from last year. At the request of the Town, Dixon Hughes Goodman LLP has included preparation of the Town's annual financial statements at an additional cost of \$3,000.00.

As part of the compliance process for GASB Statements 67 and 68 testing of the pension census data at the employer participant level is now required. The Office of State Auditor (OSA) has selected the Town to provide assurance on the accuracy of certain elements of our census data. This will require additional work by the independent auditor under a separate contract to examine the Town's employee census data provided to the Local Government Employees' Retirement System (LERS). The fee for this additional work will be billed at a rate of \$150 per hour, not to exceed a total of \$7,500.

FISCAL & STAFF IMPACT: Funds for the cost of the annual audit, financial statement preparation, and additional work for GASB 67 and 68 compliance have been requested in the Finance FY 2015-16 operating budget.

RECOMMENDATION: That the Board: 1) award a contract to Dixon Hughes Goodman LLP for a total cost of \$53,000.00 for audit of Town accounts and preparation of annual financial statements for fiscal year ending June 30, 2014; 2) authorize the Mayor to sign the Audit Contract required by the Local Government Commission and the Dixon Hughes Goodman LLP Letter of Engagement; and 3) authorize the Mayor to execute the letter of engagement for examination of the Town's employee census data and related payroll records to determine if the data provided to the Local Government Employees' Retirement System is materially correct.

