



Legislation Details (With Text)

File #: 24-0335 **Version:** 1 **Name:** External Auditing Services
Type: Agenda Item **Status:** Approved
File created: 6/25/2024 **In control:** Finance
On agenda: 7/9/2024 **Final action:** 7/9/2024
Title: Consider and take action on a resolution authorizing a three-year professional services agreement with Weaver and Tidwell, LLP for external auditing services in an amount not to exceed \$318,827 (Director of Finance)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Proposed Resolution, 2. Engagement Letter, 3. Weaver and Tidwell, L.L.P. Proposal - no missing forms, 4. RFP 24-028 Evaluation Summary

Date	Ver.	Action By	Action	Result
7/9/2024	1	City Council	Approved	Pass

Consider and take action on a resolution authorizing a three-year professional services agreement with Weaver and Tidwell, LLP for external auditing services in an amount not to exceed \$318,827 (Director of Finance)

Approval of this item will engage independent auditors, as is required by State Law and City Charter to perform an annual audit of the financial statements of the City and perform the "single audit" as is required for recipients of Federal funds.

For the proceeding five Fiscal Years, 2019 - 2023, Belt, Harris, and Pechaceck, LLP has conducted the annual independent audit. While League City does not have mandatory auditor rotation as many local governments do, rotation and competition are considered a "best practice." The Government Finance Officers Association recommends the following in their document "Best Practice - Audit Procurement": "Governmental entities should undertake a full-scale competitive process for the selection of independent auditors at the end of the term of each audit contract. Ideally, auditor independence would be enhanced by a policy requiring that the independent auditor be replaced at the end of the audit contract, as is often the case in the private sector."

The City issued a Request for Proposal 24-028 from qualified firms to perform the annual audit for the three (3) years FY 2024-2026, with an option for two (2) additional years. On May 9, 2024 the City received seven (7) proposals from the following accounting firms: Brooks Watson & CO, PLLC, Crowe LLP, Forvis, LLP, Macias Gini & O'Connell LLP, Pattillo, Brown, & Hill LLP, Weaver and Tidwell, LLP, and Whitley Penn LLP. A committee of 3, consisting of the Assistant City Manager/CFO, City Controller, and Finance committee Chair, independently scored the proposals based upon the following criteria as defined in the

RFP:

1. Pricing and Fees
2. Qualifications and Experience
3. Project Design and Methodology
4. References

Upon completion of the initial review, the committee unanimously and independently selected Weaver and Tidwell, LLP as the next audit firm for the City of League City. The firm has extensive experience in local government audits and are highly qualified to perform this audit. Current neighboring clients include the cities of Missouri City, Sugar Land, and

Houston. The fee proposed for fiscal year 2024 is to be \$103,150; with a base fee of \$96,535 and \$6,615 for one major federal program. If an additional major program is identified, the fee for each additional program will be \$6,615. For the following two years, the fee increase will not exceed three percent each year, with the total three-year contract not exceeding \$318,827.

Attachments:

1. Proposed Resolution
2. Engagement Letter
3. Weaver and Tidwell Proposal
4. RFP 24-028 Evaluation Summary

CONTRACT ORIGINATION: The contract has been reviewed and approved by the City Attorney's Office.

FUNDING

☒ Funds are available from Account #<1400000-53050>

☐ Requires Budget Amendment to transfer from Account # _____ to Account # _____

☐ NOT APPLICABLE

STRATEGIC PLANNING

☒ Addresses Strategic Planning Critical Success Factor # 2 Financially Sustainable

☐ NOT APPLICABLE