



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 17-00651

City Council

12/14/2017

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

ESTABLISHMENT OF THE AUDIT COMMITTEE TO CONDUCT THE AUDITOR SELECTION PROCESS

RECOMMENDATION:

That City Council be established as the Audit Committee to select an auditor to conduct the annual financial statement audit as required in Section 218.391, Florida Statutes.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The contract with the City's current independent auditing firm, Mauldin & Jenkins, LLC expires upon the completion of the Fiscal Year 2017 annual audit. Section 218.391, Florida Statutes outlines the process that must be used when selecting an auditor to conduct the annual financial statement audit. The first step in this process is to establish the Audit Committee.

The composition of the Audit Committee is not specified in the statute, but non-mandatory guidance is available in the *Auditor Selection Guidelines 2007* prepared by the Auditor Selection Task Force established by the State of Florida Auditor General. The *Auditor Selection Guidelines 2007* contains a Government Finance Officers Association (GFOA) recommendation that all members of the audit committee be members of the governing body. This guidance was followed in 2013 when City Council established itself as the Audit Committee when the auditing services contract was awarded to Mauldin & Jenkins, LLC.

PRIOR ACTION:

March 28, 2013 - City Council approved establishing City Council as the Audit Committee to conduct the auditor selection process.

March 28, 2013 - City Council approved engaging the independent consultant, Robert R. Garner of GCSC (Government Consulting Services Company) to provide professional guidance to City Council in the auditor selection process.

June 13, 2013 - City Council approved the Audit Committee recommendation of Mauldin & Jenkins, LLC to conduct the annual financial statement audit.

June 13, 2013 - City Council approved the terms in the letter of engagement, awarded a contract for professional auditing services to the accounting firm of Mauldin & Jenkins and authorized the President of the City Council to approve the letter of engagement and execute the contract.

FUNDING:

N/A

FINANCIAL IMPACT:

None

CITY ATTORNEY REVIEW: Yes

12/1/2017

STAFF CONTACT:

Eric W. Olson, City Administrator
Richard Barker, Jr., Chief Financial Officer

ATTACHMENTS:

- 1) Section 218.391, Florida Statutes
- 2) Auditor Selection Guidelines 2007

PRESENTATION: No