



CITY OF POQUOSON

FINANCE DEPARTMENT

500 CITY HALL AVENUE, POQUOSON, VIRGINIA 23662-1996

March 28, 2022

TO: City Council

THROUGH: Randy Wheeler, City Manager

FROM: Leigh Etheridge, Finance Director

SUBJECT: Resolution Authorizing the City Manager to Enter into the Auditing Services Contract

The audit contract performed by Cherry Bekaert, LLP for the City, School Board and Economic Development Authority did not automatically renew at the end of the audit for the fiscal year ending June 30, 2021. The cost of the audit service fee for that year was \$81,675. In accordance with the City's purchasing policies and the Virginia Public Procurement Act, the City requested and advertised for proposals for these services.

The City received three proposals and a Committee of School and City personnel interviewed all three firms. After careful consideration, the committee has recommended that the City contract with Brown Edwards CPA's, LLP for an initial term of three years with two additional one year renewal options. The committee felt that after numerous years of using the same auditing services that a fresh perspective on the financial processes of an organization can add value to fiscal processes, internal controls, and assuring governmental standards are followed continuously.

The cost of the audit service fees for the first year is \$89,500. The increase in fees from the prior year audit contract is attributed to the increased reporting requirements for the recently issued statements for pension and other post-employment benefits and leasing by the Governmental Accounting Standards Board.

Please find attached for Council's consideration a resolution authorizing the City Manager to enter into the Auditing Services contract with Brown Edwards CPA's, LLP.

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A
CONTRACT FOR PROFESSIONAL AUDITING SERVICES WITH BROWN
EDWARDS CPA'S, LLP**

WHEREAS, the City has a need for professional auditing services; and

WHEREAS, a Request for Proposal was issued on January 27, 2022 for professional auditing services; and

WHEREAS, the City received three proposals; and

WHEREAS, staff from the City and the School Board interviewed all three firms; and

WHEREAS, staff has determined that Brown Edwards CPA's, LLP provides the expertise and knowledge needed for the City; and

WHEREAS, the contract will be for the three (3) fiscal year(s) ending June 30, 2022, June 30, 2023, June 30, 2024, with the option to renew for two (2) additional one-year terms upon mutual agreement of both the City and Brown Edwards CPA's, LLP; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Poquoson, Virginia:

Section 1: That the City Manager is hereby authorized to do all things necessary to enter into a contract with Brown Edwards CPA's, LLP.

Section 2: That this resolution shall become effective immediately upon adoption.

ADOPTED: _____

TESTE: _____
City Clerk