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## MEMORANDUM

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TO: Mayor Walker and Councilors  
FROM: M McPherson, City Administrator  
SUBJECT: **Authorize Engagement of Audit Preparation Assistance**  
DATE: March 22, 2022

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### **Background:**

The day to day duties performed by the Finance Director have been distributed between Accountant Hodge and me, with occasional assistance from Tech Services Manager Yost. Duties that were not distributed but need attention are those tasks associated with the annual audit. They include compiling various documents for scanning and uploading (tasks for the Finance Intern), journal entries and year-end reconciliation of payroll to the correct year. These tasks are beyond the skill set of existing staff and require dedicated time and attention.

I have contacted three firms that specialize in short-term placement of accounting staff. They are:

- Abdo Financial Solutions (recommended by our Auditors, BerganKDV)
- Robert Half Talent Solutions (reference from PUC General Manager Butcher)
- Salo (reference from former Finance Director Peters)

Abdo provided a full proposal while the other two provided general hourly rates, which include the companies' placement costs.

### Cost Methodology/Available Funds

Determining the amount of time needed to prepare for the audit is difficult, as each temporary staff person would bring varying levels of skill to the tasks. Assuming a worse case scenario, there are 320 hours available from April 4 to May 27 (assuming a week to engage someone and the audit start date of May 30). A higher-skilled staff person would likely not take that much time and we have a Finance Intern coming onboard that would help with scanning, copying, and uploading.

Further assuming that we will not have the Finance Director replaced by the date of the audit, there would be three months of salary not utilized; approximately \$25,137.

Each of the above firms provided either written estimates, or in the case of Abdo, a full proposal. To summarize the costs:

- Abdo: provided a range of \$25,000 to \$45,000
- Robert Half: provided an hourly range of \$80 - \$100 per hour for a Senior Accountant; assuming the full 320 hours, the cost would range from \$25,600 to \$32,000.
- Salo: provided an hourly range of \$100 - \$150 per hour; assuming the full 320 hours, the cost would range from \$32,000 to \$48,000.

With clear direction from a person familiar with the language, staff and the intern can perform some of the report pulling, scanning and uploading which should keep the cost on the low end of the range.

In my conversation with all three consultants, I feel most comfortable that Abdo has a better handle on the needs of a government audit. In addition, they did not emphasize the need to do the work remotely as the other two did. I feel that initially, we need on-site help to identify the various items, direct staff for assistance, and be close to the information. Once there is a good handle on the work to be done, we can set up remote access to the system. While the submitted a wide range, with some specific conversations I feel that we can keep the cost to the low end of Abdo's proposal.

**Recommendation:**

Staff recommends that the City Council authorize entering into an agreement with Abdo Financial Solutions to provide temporary audit preparation assistance.