

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Fiona Earle, CIA, ACA, Principal Management Auditor		2. Telephone No. 3-3539	3. Bureau/Office/Dept. Office of the City Auditor/ Audit Services Division
4a. To be filed (date): October 20, 2011	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: October 19, 2011
6a. Financial Impact Section: X <input type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: X <input type="checkbox"/> Public involvement section completed	

1) Legislation Title:

* Amend contract with Moss Adams, LLP for Portland Development Commission's financial audit of accounting statements for fiscal year 2010-2011. (Ordinance; amend Contract No. 37298)

2) Purpose of the Proposed Legislation:

To authorize the amendment No. 16 of the City's contract (No.37298) with Moss Adams, LLP Certified Public Accountants, authorizing extended delivery dates for Portland Development Commission's (PDC) Comprehensive Annual Financial Report (CAFR) for fiscal year 2010-11, the completion of the financial audit of this CAFR, and \$5,000 increased compensation for an additional thirty-two hours of work to complete this audit. This annual financial audit is required by Oregon Law ORS 297.425 and by City Charter.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- ☒ City-wide/Regional ☐ Northeast ☐ Northwest ☐ North
☐ Central Northeast ☐ Southeast ☐ Southwest ☐ East
☐ Central City
☐ Internal City Government Services

FINANCIAL IMPACT**4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.**

This contract will not generate or reduce external revenue coming to the City. The additional cost of the audit of Portland Development Commission's (PDC) FY 2011 CAFR will be reimbursed by PDC to the Office of the City Auditor as set out under **Expense** below.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)*

Although the amendment of this contract relates to the audit of PDC's financial statements for FY 2010-11, this work is taking place during FY 2011-12. Portland Development Commission will recompense the Office of the City Auditor for the \$5,000 additional compensation in this contract amendment.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No positions will be created, eliminated or re-classified in the current year as a result of this contract.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No positions will be created or eliminated in future years as a result of this contract.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

This contracted audit is required by Oregon Law and City Charter.

The elected City Auditor is required by City Charter (Section 2-505, a) to conduct financial and performance audits of City government, including PDC, in accordance with generally accepted governmental auditing standards, and to appoint, coordinate and monitor the annual audit of the City's financial statements by an independent licensed public accountant.

Although widespread, direct public involvement was not included, the selection of the contracted financial auditor Moss Adams, LLP did follow the process outlined under Portland City Code Chapter 5.68. This is a competitive bidding process that promotes accountability and competition among all segments of the citizens of Portland. The RFP was advertized in the DJC and the Oregonian for three consecutive days during February 2007, and in the minority publications: The Skanner, the Portland Observer, and El Hispanic News for one weekly publication during the same period.

In addition, as required by the City's procurement process, the selection committee which recommended the award of this contract to Moss Adams, LLP included a member of the public.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Public involvement in the form of public information is anticipated. Additional public information will be provided by the publication of PDC's audited FY2011 CAFR on PDC's website.

The public will be provided with information about the outcome of this contracted financial audit by the presentation of the PDC audited CAFR to the Portland Development Commission Board at a public meeting.

LaVonne Griffin-Valade



BUREAU DIRECTOR (Typed name and signature)