

## IMPACT STATEMENT

**Legislation title:** Authorize contract with Moss Adams LLP for financial and federal compliance audits of the City and its reporting entities, starting with the statements for FY 2021-22, for three years and up to five years, and other professional services, not to exceed \$3,507,444 (Ordinance; Contract No. 30008009).

**Contact name:** Minh Dan Vuong, Performance Auditor II, City Auditor’s Office

**Contact phone:** (503) 823-3543

**Presenter name:** N/A

**Purpose of proposed legislation and background information:**

This ordinance authorizes the City to contract with Moss Adams LLP to conduct annual financial audits and federal compliance audits (Single Audits) for the next five years. These audits are required by state law, City Charter, and federal law and regulations.

**Financial and budgetary impacts:**

The City Auditor’s Office budget covers the City’s audit and Single Audit. Prosper Portland, the Fire and Police Disability and Retirement Fund, and the Mount Hood Cable Regulatory Commission will pay for their respective audits. Bureaus can request additional special studies to be paid from their own budgets. This ordinance does not change any budget.

Maximum costs for each year and audit project are:

	Audit of FY 2021-22	Audit of FY 2022-23	Audit of FY 2023-24	Option for Audit of FY 2024-25	Option for Audit of FY 2025-26	
City audit	\$355,000	\$362,000	\$369,000	\$376,000	\$383,000	
Prosper Portland audit	\$126,000	\$128,500	\$131,000	\$133,500	\$136,000	
Fire and Police Disability and Retirement audit	\$31,000	\$31,500	\$32,000	\$32,500	\$33,000	
Mount Hood Cable Regulatory Commission audit	\$15,000	\$15,300	\$15,600	Option \$15,900	Option \$16,200	
Single Audit (6 major programs)	\$107,000	\$109,000	\$111,000	\$113,000	\$115,000	
Non-Audit services	\$22,000	\$22,440	\$22,880	\$23,320	\$23,804	
Estimate for optional Special Studies over 5 years	\$100,000					
<b>Total</b>	<b>\$756,000</b>	<b>\$668,740</b>	<b>\$681,480</b>	<b>\$694,220</b>	<b>\$707,004</b>	<b>5-year total: \$3,507,444</b>
Option per additional major program in Single Audit	\$17,800	\$18,100	\$18,500	\$18,800	\$19,100	

The first-year audit’s costs have risen by about 3 percent compared to the most recently completed audit. After the first year, costs increase by about 2 percent each year.

**Community impacts and community involvement:**

The financial statements prepared by the City and to be audited by Moss Adams are an important resource for community members, decision-makers, taxpayers, investors to understand in what financial shape the City is. The audits improve City accountability and transparency.

The City Auditor's Office completed a competitive procurement and advertised the Request for Proposal to about 200 municipal auditors licensed in Oregon. The committee that evaluated proposals included two community members, including one referred by the City's Minority Evaluator Program.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

No.

Audit Services file 551/L4  
CBO Aug 2017 template  
Prepared by Minh Dan Vuong, February 4, 2022