



# City of San Antonio

## Agenda Memorandum

**File Number:**  
**{{item.tracking\_number}}**

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**Agenda Item Number:** 12

**Agenda Date:** June 3, 2022

**In Control:** Audit and Accountability Committee Meeting

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Post-Solicitation High Profile item for Independent External Auditing Services

**SUMMARY:**

The Charter of the City of San Antonio and Chapter 103 of the Texas Local Government Code require that an annual audit of the City's financial records and accounts be performed by an independent external certified public accountant 1) whose firm is licensed to practice in the State of Texas; 2) who is individually licensed to practice in the State of Texas if their firm is not and the individual is legally authorized to represent their firm; or 3) the firm and individual legally authorized to represent their firm is licensed to practice in another state that has received verification from the National Association of State Boards of Accountancy's National Qualification Appraisal Service that their education, examination and experience requirements for certification or license compares to or exceeds the requirements for the State of Texas licensure as a CPA.

In addition, as the City receives financial assistance in the form of Federal and State Grants,

Financial and Compliance Reports on Federal and State Grants (Single Audit Reports) and Schedule of Expenditures for Passenger Facility Charges are also required. The required external annual audit is to be performed in accordance with generally accepted auditing standards adopted by the American Institute of Certified Public Accountants, Government Auditing Standards issued by the Comptroller General of the United States, the Office of Management and Budget's Uniform Guidance, Texas Grant Management Standards and any other authoritative pronouncements which may be deemed applicable. The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. It will also include a review of the system of internal controls and tests of transactions to the extent necessary.

The objective of the audit will be an expression of an opinion the wording of which will be dependent on the facts and circumstances at the date of the reports. The scope will additionally include the Agreed Upon Procedures over the City's financial assurance for Texas Commission on Environmental Quality as well as a separate audit for the City's component unit (City of San Antonio Municipal Aides Corporation).

#### **BACKGROUND INFORMATION:**

On November 24, 2021, a Request for Proposal (RFP) was released for Independent External Audit Services. The total contract value is \$5,290,950.00 for an initial contract term of 3 years with 2, 1-year options to renew.

On February 8, 2022, three proposals were received. All proposals were deemed responsive and moved forward for full proposal evaluation. The evaluation committee representatives were Ben Gorzell, Jr., CPA, Chief Financial Officer; Troy Elliott, CPA, Deputy Chief Financial Officer; Melanie S. Keeton, CPA, Assistant Finance Director; Victoria Roeder, Controller; Kevin Barthold, CPA, City Auditor; and Charles R. Hoopingarner, Senior Director, Strategic Pricing & Cost Recover, CPS Energy.

The evaluation committee met to interview, discuss, and score all proposals on May 13, 2022. The committee recommended awarding the contract to the highest-ranked respondent.

This item is scheduled for Council consideration on June 23, 2022.

#### **ISSUE:**

For briefing purposes only

#### **FISCAL IMPACT:**

For briefing purposes only

**ALTERNATIVES:**

For briefing purposes only

**RECOMMENDATION:**

Staff recommends approval to proceed with scheduling one contract for City Council consideration to provide Independent External Audit Services for a total contract value of \$5,290,950.00 for a term of 3 years with 2, 1-year options to renew.