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Memorandum

To: Honorable Mayor and City Council

From: Julie Casteen, Assistant City Manager

Re: FY22 Audit Engagement Letter

Date: January 3, 2022

BACKGROUND

Title 11, Section 17-105 of the Oklahoma State Statutes requires a full and complete annual audit of the City's financial statements to be conducted by an independent auditor. The objective of the audit is for the auditor to express an opinion on whether the City's financial statements are fairly presented and whether they conform to generally accepted accounting principles and standards.

During the audit, the auditor will examine items such as customer accounts, revenues received, cash disbursements, check reconciliations, debt reconciliations, pledged collateral, general ledger entries, and capital asset inventory.

Attached for your review is an Audit Engagement letter from Elfrink and Associates to conduct the annual Financial and Compliance Audit for the Fiscal Year Ending June 30, 2022. Elfrink and Associates just completed our FY21 audit, and we are extremely pleased work over the last two years.

The fee for the audit service is \$21,000, plus an additional \$2,700 for a Single Audit. A Single Audit is required if we are granted federal funding of \$750,000 or more during fiscal year 2021. At this time, it is expected that we will meet this threshold.

The cost of the audit is split between the City and the Public Works Authority.

STAFF RECOMMENDATION:

The Audit Engagement letter is a standard letter that is required to properly engage the audit firm for the annual financial and compliance audit of the City's financial statements. Staff recommends that Council accept the letter and direct the Mayor to sign on behalf of the City government and authorize the City Manager to sign the letter on behalf of Management.

ATTACHMENTS:

FY22 Audit Engagement Letter