


COUNCIL COMMUNICATION

	Number:	22-352	Meeting:	August 8, 2022
	Agenda Item:	41	Roll Call:	22-1259
	Submitted by:	Nickolas Schaul, Finance Director		

AGENDA HEADING:

Extension of professional services agreement (PSA) with RSM US LLP (RSM) to provide auditing services for fiscal year (FY) 2021/22.

SYNOPSIS:

Recommend approval of a 1-year extension to expiring agreement with RSM to provide services as the City's independent auditor for good cause.

FISCAL IMPACT:

Amount: \$139,325

Funding Source: FY2023 Operating Budget under:

- Housing: \$38,415 – HS001000 – Housing Services page 105
- City Operations: \$100,910 – FN080000 – Finance Accounting page 68

ADDITIONAL INFORMATION:

- Background - beginning with FY 2015, RSM has provided the City, Des Moines Municipal Housing Authority, and Water Reclamation Authority with audit and reporting services related to their financials. This includes work related to the single audit over federal funds and a review of the City's controls over the same. During this time, RSM has gained a significant understanding of the City's normal operations and provided a great deal of expertise on how best to revise the nature of those operations to better achieve the City's goals.
- Good cause - due to circumstances discovered during the FY 2021 audit and work begun during that process which has carried over to FY 2022, staff recommends extending the current agreement for audit services with RSM for an additional year to cover the FY 2022 audit. We believe that RSM's history and knowledge garnered from auditing the City over the past seven (7) FYs will better position them to assess the City's response to past issues being addressed through the current year's audit. Additionally, due to the way both CARES Act and ARPA fundings were pushed out by the federal government, the disbursements have continued to impact multiple FYs and involve audit procedures that are effectively ongoing. Staff believes that the cost of bringing in a new auditor (requiring a review of ongoing work) would be more costly than continuing with RSM.

PREVIOUS COUNCIL ACTION(S):

Date: June 28, 2021

Roll Call Number: [21-0994](#)

Action: [Extension](#) of contract for Professional Auditing Services with RSM US LLP to provide auditing services for fiscal year 2020/21. ([Council Communication No. 21-281](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.