

AUDIT COMMITTEE

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MINUTES

MAY 13, 2024

Chair Dake called the Audit Committee meeting to order at 5:36 p.m.

Present: Matt Dake, Mack Golos, Mona Henry, Robert Massey, and Mary Rowe

Absent: None

Guest: None

Staff: Assistant Finance Director Michael Osborne
Accountant Judy Serio

1. CALL TO ORDER AND INTRODUCTIONS

2. COMMUNITY COMMENTS

None

3. APPROVAL OF MINUTES

Members did not receive copies of the minutes for the January 22, 2024, and the February 26, 2024, meetings. The vote was postponed to the next meeting.

Minutes will be emailed to members.

4. STATEMENT REGARDING ANY CONFLICTS WITH PROPOSED FIRMS

Osborne disclosed previous experience working with Moss Adams at another agency.

Member Rowe disclosed previous experience working with Moss Adams at another agency.

5. BRIEFING OF THE PROPOSED FIRM INTERVIEWS

Osborne began the conversation by providing the process for the request for proposal.

Members Dake and **Rowe** shared their opinions of the presentations by Moss Adams and Singer Lewak. Singer Lewak is a smaller firm that is newer to governmental accounting after being acquired by a California firm. Moss Adams had a professional presentation and will accommodate the city's growing audit needs in the future.

Member Rowe commented on the benefits of Moss Adams which included strong staff experience, offered training and resources to city staff. Singer Lewak representatives did not answer some of the questions and the firm serves smaller cities, along with being recently acquired by a California firm.

Member Dake commented that Singer Lewak’s director instilled confidence in ability and was a GFOA independent reviewer but was not given the opportunity to speak and answer questions during presentation. Moss Adams presentation offered consistency, local references, mentioned their schedule is busy and city must meet dates which may cause a challenge for the finance team.

Osborne commented that Moss Adams will provide answers to questions in a timelier manner and has resources within the firm. Moss Adams willing to start as soon as contract is in place; will reach out to Aldrich CPAs for the transition. Although Singer Lewak is \$20,000 less than Moss Adams; Moss Adams price is comparable to Aldrich CPA’s cost. Moss Adams is Clackamas County’s audit firm and that may be an advantage for the city. One of the questions asked during the interview was the percentage of clients that have the firm prepare their ACFR; Singer Lewak prepares 90% of their clients’ while Moss Adams prepares 10% of their clients’ reports. Moss Adams assured the interview panel they will reach out to the members of the Audit Committee and City Council. Would like to meet with the selected firm in June to have some questions answered regarding the upcoming audit.

Member Golos asked for clarification about the list of questions for the new audit firm.

Osborne responded that once the City Council approves the recommendation by the Audit Committee there are several questions the finance team would like clarification on relating to the newer GASB pronouncements on leases and subscription-based agreements.

Councilor Massey clarified the process after the Audit Committee recommendation and confirmed that there would not be a delay as in previous years.

Osborne responded that it is a tight timeframe to get a contract in place.

Member Rowe asked if the dispute period had begun.

Osborne responded yes.

Councilor Massey commented that it is a positive that Moss Adams adheres to deadlines.

6. VOTE TO RECOMMEND AUDIT FIRM TO CITY COUNCIL

Chair Dake called for a motion to recommend Moss Adams as the city’s audit firm.

Member Rowe made a motion to recommend Moss Adams as the city’s audit firm.

Member Golos seconded the motion.

Motion passed with the following vote: **Chair Dake, Member Golos, Member Henry, Councilor Massey, and Member Rowe** voting “aye.” (5:0)

7. ADJOURN

Member Rowe made a motion to adjourn the meeting. **Member Golos** seconded the motion.

Motion passed with the following vote: **Chair Dake, Member Golos, Member Henry, Councilor Massey, and Member Rowe** voting "aye." (5:0)

The meeting was adjourned at 6:05 p.m.

Respectfully submitted,



Judy Serio, Secretary / Accountant