

CITY OF HIGH POINT

AGENDA ITEM



Title: Amend Audit Contract FY 2018 to Extend Timeframe for Completion

From: Kelly Latham

Meeting Date: November 19, 2018

Public Hearing:

Advertising Date /

Advertised By:

Attachments: Amendment to Contract to Audit Accounts

PURPOSE:

The Local Government Commission requires an amended audit contract for FY 2018 audit completion dates after December 1, 2018.

BACKGROUND:

The Financial Services Department has experienced significant turnover in four key positions during the last four months in the areas of general accounting / grants, payroll, accounts payroll, and management / reporting. The timeframe between July 1 and October 31 is critical for timely completion of the audit. Due to the level of turnover experienced during this timeframe, it has not been possible for us to stay on track to ensure timely completion of the audit and Comprehensive Annual Financial Report.

BUDGET IMPACT:

N/A

RECOMMENDATION / ACTION REQUESTED:

Council is requested to approve to amend the audit contract with Cherry Bekaert, LLP for the fiscal year period June 30, 2018 to extend the delivery date of the Comprehensive Annual Financial Report to the Local Government Commission until January 31, 2019. All other terms of the contract, including the audit fee, remain in force as originally proposed.

Whereas	Primary Government Unit City of High Point, North Carolina
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A
and	Auditor Cherry Bekaert LLP

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for	Fiscal Year Ending 06/30/18	and originally due on	Audit Report Due Date 10/31/18
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hereby agree that it is now necessary that the contract be modified as follows.

☒ Modification to due date:

Original due date 10/31/18	Modified due date 01/31/19
Original fee	Modified fee

☐ Modification to fee:

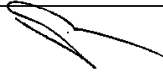
EXPLANATION OF MODIFIED CONTRACT TERMS

Please provide an explanation for the modification of terms. If the amendment is submitted to extend the due date, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years.

The City of High Point Financial Services Department has experienced significant turnover. Four positions were vacated between July 1 and October 31, one of those being the Director of Financial Services, and the other 2 positions were highly critical Accountant positions. The Director played a large role in completion of our CAFR, as did our Accountants. Due to the significant loss of staff resources during our most difficult time of year, we are unable to complete our CAFR timely and expect completion by 1-31-19. The City is currently recruiting for a new Director. In addition, discussions are in progress as to the possibility of additional staff or other resources to assist with the CAFR in the future, in order to ensure more timely completion.

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

SIGNATURE PAGE**AUDIT FIRM**

Audit Firm Cherry Bekaert LLP	
Authorized Firm Representative (typed or printed) Eddie Burke	Signature 
Date 11/08/18	Email Address EBurke@cbh.com

GOVERNMENTAL UNIT

Governmental Unit City of High Point, North Carolina	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE***ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT****(Pre-audit certificate not required for charter schools or hospitals)*

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer	Signature
Date of Pre-Audit Certificate	Email Address

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU N/A	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed) N/A	Signature
Date	Email Address N/A

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address N/A

DPCU – PRE-AUDIT CERTIFICATE

ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT

(Pre-audit certificate not required for charter schools or hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed) N/A	Signature
Date of Pre-Audit Certificate	Email Address N/A