

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

DATE
March 13, 1986

NC.

SUBJECT: ANNUAL AUDIT AGREEMENT

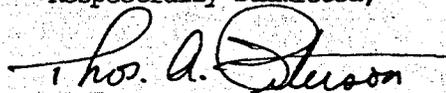
RECOMMENDED ACTION: That the City Council consider the award of the contract for the performance of the annual audit.

BACKGROUND INFORMATION: For the past several years the City Council has retained the firm of Ernst & Whinney to perform the annual audit for the City of Iodi. The firm has advised us that it is again desirous of performing the audit for fiscal 1985-86. The cost will be \$22,000 which represents an increase of \$1,700 over last year. The increase, according to Ernst & Whinney, is solely attributable to the effects of recent federal legislation which requires that the scope of the audit be expanded to include detail testing of such federal grants as Community Development Block Grants. The firm will begin its work here sometime in May.

About eighteen months ago, in response to a question from the City Manager, the City Council expressed its satisfaction with the audits prepared by Ernst & Whinney and directed the staff to continue to utilize this firm. The staff has no problem with continuing to work with Ernst & Whinney, nor would the staff have a problem with switching to a different auditing firm. Because of time constraints, going to bid for auditing services is not possible for this year. However, the staff will be prepared to discuss this matter in the fall, should the City Council so choose. At that time the Council could consider remaining with Ernst & Whinney or soliciting bids for this service. It should be noted that the cost of the audit has been generally in line with what other cities with an electric utility are experiencing.

I will be pleased to answer any questions Councilmembers may have in this regard at Wednesday night's meeting.

Respectfully submitted,



Thomas A. Peterson
City Manager

TAP/lh

3/19/86

CITY COUNCIL

DAVID M. HINCHMAN, Mayor
FRED M. REID
Mayor Pro Tempore
EVELYN M. OLSON
JAMES W. PINKERTON, Jr.
JOHN R. (Randy) SNIDER

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THOMAS A. PETERSON
City Manager

ALICE M. REIMCHE
City Clerk

RONALD M. STEIN
City Attorney

March 20, 1986

Mr. James E. Olson
Partner
Ernst and Whinney
555 Capitol Mall, Suite 650
Sacramento, CA 95814

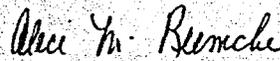
Re: City of Lodi Annual Audit for 1985 - 86

Dear Mr. Olson:

This letter will confirm actions taken by the Lodi City Council at its Regular Meeting of March 19, 1986, whereby Council, by motion action, confirmed the retaining of the firm of Ernst and Whinney to perform the Annual Audit for 1985 - 86 at a cost of \$22,000 and determined that the City would solicit bids next fall for the performance of the annual audit for next year.

Should you have any questions regarding this action, please do not hesitate to call this office.

Very truly yours,



ALICE M. REIMCHE
City Clerk

cc: Mr. Robert Holm
Finance Director