

CITY COUNCIL MEETING
JUNE 20, 1984

cc/b

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FIRM OF ERNST
AND WHINNEY
RETAINED TO
CONDUCT 1983-84
F.Y. AUDIT

Following introduction of the matter by Staff, Council, on
motion of Council Member Olson, Reid second, approved
retaining the firm of Ernst & Whinney to conduct the 1983-84
F.Y. Audit at a cost not to exceed \$16,500.00.

CITY COUNCIL

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

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
POST OFFICE BOX 320
LODI, CALIFORNIA 95241
(209) 334-5634

HENRY A. GLAVES, Jr.
City Manager

ALICE M. REIMCHE
City Clerk

RONALD M. STEIN
City Attorney

June 26, 1984

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

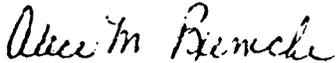
Dear Mr. Olson:

Please be advised that your June 12, 1984 letter summarizing the scope of your service and fee estimate regarding the City retaining you to examine the financial statements of the City of Lodi for the year ending June 30, 1984 was presented to the Lodi City Council at its regular meeting of June 20, 1984.

The City Council, by motion action, authorized the retaining of the firm of Ernst & Whinney to conduct the audit for the 1983-84 fiscal year at a fee not to exceed \$16,500.00.

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

Very truly yours,


Alice M. Reimche
City Clerk

AMR:jj

Ernst & Whinney

555 Capitol Mall, Suite 650
Sacramento, California 95814

916/447-3237

June 12, 1984

City Council
City of Lodi
221 West Pine Street
Lodi, California 95240

Attention Mr. Jerry L. Glenn

Dear Mr. Glenn:

The purpose of this letter is to summarize the scope of our services and fee estimate regarding our engagement to examine the financial statements of the City of Lodi for the year ending June 30, 1984.

As in the past, we will perform the examination and issue our report thereon in accordance with generally accepted auditing standards approved by the American Institute of Certified Public Accountants. These standards contemplate, among other things, that we will make a study and evaluation of your system of internal control as a basis for reliance on the accounting records and for determining the extent of our audit tests; and that we will be able to obtain sufficient competent evidential matter, with respect to the accounts, to afford a reasonable basis for our opinion regarding the financial statements. However, it should be understood that our report will, necessarily, be governed by the findings developed in the course of our examination, and that we could be required, depending upon the circumstances, to modify our reporting from the typical unqualified opinion. We will advise you, as our examination progresses, if any developments indicate that we will be unable to express an unqualified opinion.

Since our examination will be performed generally on a test basis, including sampling techniques, it will not necessarily disclose irregularities, if any, that may exist. However, any irregularities which our examination does disclose will be reported to you promptly.

At the completion of the engagement, we will provide a letter to management containing recommendations for any significant changes which we believe would improve the accounting or management procedures, or strengthen internal controls.

Our fees will be based upon our customary rates for the various personnel involved, plus out-of-pocket expenses.

JUN 14 1984

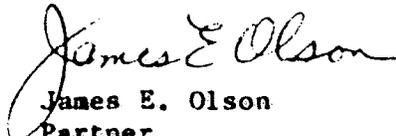
City Council
City of Lodi
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We expect to use your staff as much as possible to prepare analysis schedules, provide supporting documentation, and otherwise assist in minimizing our audit time and resultant fees. Our fee estimate this year is based upon the continued usage of accounting department personnel for approximately 80 hours to perform the above procedures and draft the financial statements.

We estimate that our fees for the examination of the 1984 financial statements will be \$16,500. This represents a 10% increase over our fees for the past two years when our estimate was \$15,000. Should any significant or unusual circumstances be encountered, we will advise you prior to altering our audit scope.

We look forward to the opportunity to again serve the City of Lodi.

Very truly yours,


James E. Olson
Partner

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