



# City of Blaine Anoka County, Minnesota

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

## Legislation Text

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File #: MO 21-142, Version: 1

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**ADMINISTRATION** - *Joe Huss, Finance Director/Asst. City Manager*

### Title

**Appoint the City's External Audit Firm and Approve Auditing Services Contract**

### Executive Summary

The Council is asked to appoint the City's external auditing firm and approve a five-year contract for audit services.

### Background

In August staff sent a Request for Proposals for audit services to eight audit firms that currently audit municipalities in the State of Minnesota. Five proposals were received. Firms were required to propose fees not only for standard audit services, but also for three other items: conducting a federal single audit; preparation of required information regarding PERA; and assistance in Financial Statement preparation.

Staff held initial discussions with the respondents and formal interviews with two finalist firms.

The two finalists were:

- Redpath and Company, Ltd. (the City's current auditor)
- Malloy, Montague, Karnowski, Radosevich & Company (MMKR)

Based on the proposals, interviews, and references, staff recommends that the firm of Redpath and Company, Ltd. be re-appointed to perform the City's financial audit for the upcoming five-year period with years ending December 31, 2021-25 at the proposed full cost as follows:

2021	\$57,325
2022	\$59,250
2023	\$61,350
2024	\$63,550
2025	\$65,850

Redpath and Company has been the City's Auditors since 2009 and has performed exceptionally during their tenure. The 2021 proposed amount reflects a \$2,500 reduction from the 2020 full audit cost. Additional services required for the implementation of any new Governmental Accounting Standards Board (GASB) pronouncements would be performed by Redpath and Company, Ltd. under a separate engagement and could result in additional fees.

A formal contract and engagement letter will be brought before the Council for approval before the audit work has begun.

**Strategic Plan Relationship**

By attesting to the veracity of the of the city's financial statements, the annual audit provides an independent confirmation that the city is meeting its strategic priority of financial sustainability.

**Board/Commission Review**

None required.

**Financial Impact**

The City annually appropriates funding for the statutorily required audit, which, at less than 0.2% of the City's General Fund budget, has minimal financial impact.

**Public Outreach/Input**

None required.

**Staff Recommendation**

Appoint Redpath & Company as the City's independent audit and authorize staff to execute a five-year contract for audit services.

**Attachment List**

No attachments