



CITY OF SACRAMENTO

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CITY MANAGER'S OFFICE
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DEPARTMENT OF FINANCE
915 I STREET
ROOM 112
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-5736

September 6, 1983
FA:83215:JRC:KMF

JACK R. CRIST
DIRECTOR OF FINANCE
ROBERT C. LELAND
ASSISTANT DIRECTOR

City Council
Sacramento, California

APPROVED
BY THE CITY COUNCIL

Honorable Members in Session:

SEP 20 1983

SUBJECT: External Audit Services Agreement for Fiscal Year 1983-83

OFFICE OF THE
CITY CLERK

SUMMARY

The City of Sacramento proposes to retain Price Waterhouse, Certified Public Accountants, as our external auditors. Attached is a proposed

- o Resolution (Exhibit I) and
- o Agreement (Exhibit II)

for auditing services for Fiscal Year 1982-83. It is recommended that the City Council approve the Resolution and Agreement.

BACKGROUND

In February 1978, the City Council adopted the policy guideline for retention of external audit firms. The adopted 1978 policy requires that the City change external auditors every five years. Once a firm is selected, a master agreement is signed which includes options to renew in each of the subsequent four years assuming satisfactory performance for the previous year.

Price Waterhouse has performed the City's external audit for the past three years (FY 79-80 through FY 81-82). The firm's performance has been satisfactory. This report addresses the fourth year (FY 82-83 audit) of the External Audit Services Agreement.

FINANCIAL

Exhibit III attached is a three year comparison of audit fees previously paid and the proposed fees for the FY 1982-83 audit.

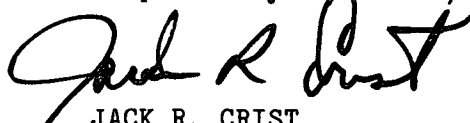
While the services rendered have been modified slightly, the proposed 1983-84 General Fund cost is relatively unchanged. The total proposed audit fee is down from \$86,200 in FY 1981-82 to \$76,300 in 1982-83. This represents an 11% decrease and is primarily the result of budget constraints.

\$83,125 is budgeted for external audit costs in the City's recently adopted operating budget.

RECOMMENDATION

In accordance with City Council adopted policy guidelines for retention of external audit firms, it is recommended that Price Waterhouse be retained as the City's external auditors for Fiscal Year 1982-83. Approval of the attached resolution and agreement is required.

Respectfully submitted,



JACK R. CRIST
Director of Finance

RECOMMENDATION APPROVED:


WALTER J. SLIPE
City Manager

Attachment

cc: Price Waterhouse

RESOLUTION NO. 83-725

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

**A RESOLUTION AUTHORIZING AUDITING
SERVICES TO BE PERFORMED BY PRICE
WATERHOUSE FOR FISCAL YEAR 1982-83**

WHEREAS, the City entered into an auditing services Agreement No. 79215 on March 1980 with an option to renew the agreement; and

WHEREAS, said agreement was renewed in January 1981 and April 1982; and

WHEREAS, Price Waterhouse has satisfactorily performed audit services for fiscal years 1979-80, 1980-81 and 1981-82;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the attached Agreement is hereby approved for fiscal year 1982-83 auditing services; and
2. That the City Manager is hereby authorized to execute said Agreement for auditing services for fiscal year 1982-83, for a price not to exceed \$76,300.

MAYOR

ATTEST:

CITY CLERK**APPROVED**
BY THE CITY COUNCIL

SEP 20 1983

OFFICE OF THE
CITY CLERK



CITY OF SACRAMENTO

OFFICE OF THE CITY CLERK

915 I STREET

CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814

TELEPHONE (916) 449-5428

LORRAINE MAGANA
CITY CLERK

October 21, 1983

Price Waterhouse
455 Capitol Mall
Sacramento, CA 95814

RE: City Agreement No. 83048

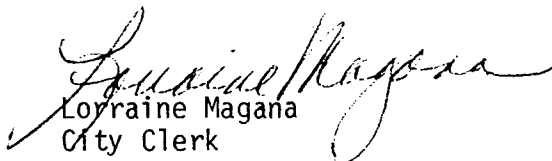
Dear Mr. Waterhouse:

On September 20, 1983, the Sacramento City Council adopted a resolution authorizing auditing services to be performed by Price Waterhouse for fiscal year 1982-83.

Enclosed are four copies of said agreement executed by the City as authorized by the attached, certified resolution no. 83-725.

Upon final execution, please return three copies of said agreement to the Office of the City Clerk for the City's distribution.

Sincerely,


Lorraine Magana
City Clerk

LM:mjw:2

Enclosures

cc: Finance
Risk Management