



CITY OF SACRAMENTO

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DEPARTMENT OF FINANCE

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ROOM 112

SACRAMENTO, CALIFORNIA 95814
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JACK R. CRIST
DIRECTOR OF FINANCE

ROBERT C. LELAND
ASSISTANT DIRECTOR

May 1, 1984
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User 8 - E2

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT External Audit Services Agreement for
Fiscal Year 1983-84

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 1983-84 (year five). 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 four years (FY 1979-80 through FY 1982-83). The firm's performance has been satisfactory. This report addresses the fifth year (FY 1983-84 audit) of the External Audit Services Agreement.

FINANCIAL

Exhibit III attached is a four year comparison of audit fees previously paid and the proposed fees for the FY 1983-84 audit.

APPROVED
BY THE CITY COUNCIL

MAY 29 1984

OFFICE OF THE
CITY CLERK

AC 83206

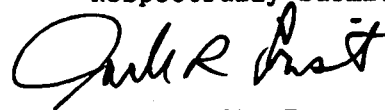
While the services rendered have been modified slightly, the proposed General Fund cost is relatively unchanged. The total proposed audit fee is up from \$76,300 in FY 1982-83 to \$91,750 in 1983-84. This represents a 20% increase and is primarily the result of adding two year audits of Revenue Sharing and Retirement, plus a review of insurance claims.

These amounts, if approved, will be budgeted in the FY 1984-85 Budget.

RECOMMENDATION

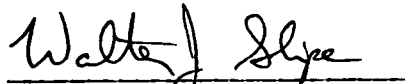
In accordance with City Council adopted policy guidelines for retention of external audit firms, it is recommended that Price Waterhouse be retained as the City's external auditors for Fiscal Year 1983-84. Approval of the attached resolution and agreement is required.

Respectfully submitted,



JACK R. CRIST
Director of Finance

RECOMMENDATION APPROVED:



WALTER J. SLIPE
City Manager

Attachment

cc: Price Waterhouse

RESOLUTION NO. 84-438

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

EXHIBIT I

A RESOLUTION AUTHORIZING AUDITING SERVICES TO BE PERFORMED BY PRICE WATERHOUSE FOR FISCAL YEAR 1983-84

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, April 1982, and September 1983, and

WHEREAS, Price Waterhouse has satisfactorily performed audit services for fiscal years 1979-80, 1980-81, 1981-82, and 1982-83;

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

1. That the attached Agreement is hereby approved for fiscal year 1983-84 auditing services; and
2. That the City Manager is hereby authorized to execute said Agreement for auditing services for fiscal year 1983-84, for a price not to exceed \$91,750.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

MAY 29 1984

OFFICE OF THE
CITY CLERK



RECEIVED
CITY CLERK'S OFFICE
CITY OF SACRAMENTO

JUN 25 8 25 AM '84

455 CAPITOL MALL
SACRAMENTO, CALIFORNIA 95814
916 441-2370

June 22, 1984

Ms. Lorraine Magana
City Clerk
City of Sacramento
915 I Street, Room 203
Sacramento, CA 95814

Dear Ms. Magana:

Enclosed are the three executed copies of Amendment to Auditing
Services Agreement (AG83206; CC84-438).

Yours very truly,

A handwritten signature in cursive script that reads "Barbara Harrison".

Barbara Harrison

Enclosures
as stated

5-29-84
(10)