



STAFF REPORT

Meeting Date: June 17, 2014

Agenda Item #: 5

TO: Mayor and Town Council
FROM: Susan Parker, Town Administrator
TITLE: Selection of an Independent Auditor

Summary: The Local Government Budget and Fiscal Control Act requires each unit of government to have its accounts audited as soon as possible after the close of the fiscal year (June 30th) by a certified public accountant (CPA). It also requires that a governmental entity submit an executed *service contract* each year for Local Government Commission (LGC) approval.

Background:

May 21, 2014 – Town Council was informed that an Independent Auditor had not been retained and directed staff to solicit auditors who would be interested in conducting the Town of Sunset Beach annual audit.

Discussion: The contract with a CPA firm is categorized as a *service contract*. Chapter 143 of the North Carolina General Statutes does not require a formal bid process for this type of contract.

Staff solicited bids from six firms who had been listed on the Local Government Commission website. They were selected because they had a working experience conducting audits for communities with similar budget amounts and populations.

I inquired about availability, price, and references and three firms responded.

Martin Starns & Associates	\$27,000 – 27,800
Williams-Scarborough-Smith-Gray LLP	\$19,500
Thompson, Price, Scott, Adams & Co.	\$17,500

Fiscal/Policy Implications: These bids were proposed with the understanding that any extraordinary service required beyond the single audit process will involve additional charges.

Recommendation: After reviewing the bids I recommend Thompson, Price, Scott and Adams & Co.

Motion: Move to execute a contract with Thompson, Price, Scott, Adams & Co. for \$17,500 using the contract form as required by the Local Government Commission.