

INTRODUCED: February 22, 2016

AN ORDINANCE No. 2016-036

To amend Ord. No. 2015-73-84, adopted May 15, 2015, which adopted a General Fund Budget for Fiscal Year 2015-2016 and made appropriations pursuant thereto, to transfer funds in the amount of \$223,329.00 from the Debt Service agency and to appropriate the transferred funds to the Office of the City Auditor agency for the purpose of providing funds for the performance of auditing services by an external auditor and by internal auditors within the Office of the City Auditor.

Patron – Mayor Jones

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 28 2016 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Ordinance No. 2015-73-84, adopted May 15, 2015, which adopted a General Fund Budget for the fiscal year commencing July 1, 2015, and ending June 30, 2016, and made appropriations pursuant thereto, is hereby amended by transferring funds in the amount of \$223,329.00 from the Debt Service agency and appropriating such transferred funds in the amount of \$223,329.00 to the Office of the City Auditor agency for the purpose of providing

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: MAR 28 2016 REJECTED: _____ STRICKEN: _____

funds for the performance of auditing services by an external auditor and by internal auditors within the Office of the City Auditor.

§ 2. This ordinance shall be in force and effect upon adoption.

JAN 29 2015



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

Chief Administration Office
City of Richmond

4-4601

O&R REQUEST

DATE: January 6, 2015

EDITION: 1

TO: Members of City Council

THROUGH: Mayor Dwight C. Jones

THROUGH: Selena Cuffee-Glenn, CAO

THROUGH: Lenora Reid, Deputy CAO for Finance and Administration

THROUGH: Jay Brown, Budget Director

FROM: Jim Duval, Interim Finance Director

RE: Amendment to the City's FY2016 General Fund budget by transferring \$223,329 from the Debt agency and appropriating \$223,329 to the Auditor's Office to fully fund the external auditing services contract and single audits.

ORD. OR RES.

No. _____

PURPOSE: To amend the FY2016 General Fund Budget (Ord. 2015-73-84) by transferring \$223,329 from the General Fund Debt agency and appropriating \$223,329 to the Office of the City Auditor to fully fund the contract for external auditing services and the single audits.

REASON: This paper would transfer \$223,329 in anticipated debt savings to the Auditor's Office for the purpose of fully funding the external auditing services contract with Grant Thornton, LLP in the amount of \$163,329 and \$60,000 for the purpose of fully funding the Auditor's Office single audits.

BACKGROUND: Ordinance 2015-143-153, adopted July 27, 2015, indicated that the original contract with Cherry Bekaert, LLP was for \$285,000, which covered the City Audit, Richmond Public Schools, the Single Audits and the Sheriff's Office internal controls audit. Of the \$285,000, the City's cost was \$200,000 and Richmond Public Schools cost was \$85,000 for the first year.

The new contract with Grant Thornton was awarded at \$362,645 which is a \$77,645 increase from the prior contract with Cherry Bekaert. The intended award of \$362,645 only covers the City Audit, the Sheriff's Office internal controls audit and the Auditor of Public Accounts

FEB 08 2016
OFFICE OF THE ATTORNEY

O & R Request

Comparative Cost Report agreed-upon procedures. The contract amount excludes the Richmond Public School's Audit and the Single Audits. Because the intended contract amount excludes the Richmond Public School's Audit and the Single Audits, the entire \$362,645 is the cost of the City.

The Auditor's Office administers and manages the external auditing services contract. Annually funds are budgeted within the Auditor's Office for this contract. The Auditor's Office FY16 adopted budget included only \$199,316 for the external contract. With the City's cost being \$362,645, the City Auditor's budget for this contract has a shortfall of \$163,329. It was noted in Ordinance 2015-143-153 that a budget amendment may be needed at some time. This Ordinance seeks to transfer available funding to the City Auditor's Office in order to cover the full costs of the external audit contract.

An additional \$60,000 from the Debt agency is also recommended to be transferred to the Auditor's Office to fully fund the anticipated number of single audits that this office will perform in FY2016. The Auditor's Office indicated that it will conduct an additional 4 single audits at approximately \$15,000 each.

Finance staff have determined that there will be savings within the Debt agency that is attributed to the: Refunding of the Series 2005A and 2005B GO bonds by the 2015A GO Bonds at lower interest rates on October 12, 2015, lower amount of borrowings and lower than budgeted variable interest rates paid on the Series 2014 Bank of America Line of Credit during the first half of the year, and lower than budgeted interest rates being paid on the Series 2013 Variable rate.

RECOMMENDATION: The City Administration recommends approval.

FISCAL IMPACT/COST TO CITY: n/a

REVENUE TO CITY: n/a

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: February 8, 2016

CITY COUNCIL PUBLIC HEARING DATE: February 22, 2016

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: n/a

AFFECTED AGENCIES: n/a

RELATIONSHIP TO EXISTING ORD. OR RES.: 2015-73-84, 2015-143-153

O & R Request

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Supplemental General Fund Amendment Attachment

STAFF: Jim Duval

Supplemental General Fund Amendment Attachment

	FY2016 Current Modified General Fund Budget	Proposed Amendments	FY2016 Modified General Fund Budget
Debt Agency	61,399,750	-223,329	61,176,421
Auditor's Office	1,696,402	223,329	1,919,731