



## Legislation Details (With Text)

**File #:** 2022-2024      **Version:** 1

**Type:** Ordinance      **Status:** Second Reading

**File created:** 6/28/2024      **In control:** Finance & Governance Committee

**On agenda:** 7/15/2024      **Final action:**

**Title:** To authorize the City Auditor to enter into an agreement for auditing services with the Auditor of State for the calendar year 2024, for the City of Columbus and the Office of the Franklin County Municipal Court Clerk, and to authorize the expenditure of up to \$347,530.00 from the General Fund. (\$347,530.00)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 2022-2024 AOS 2024 ACPO.pdf

Date	Ver.	Action By	Action	Result
7/15/2024	1	Columbus City Council		

### **BACKGROUND**

This ordinance will authorize the City Auditor to enter into an agreement for auditing services with the Auditor of State of Ohio for the calendar year 2024, for the City of Columbus and the Office of the Franklin County Municipal Court Clerk, and to authorize the expenditure not to exceed \$347,530.00.

All political subdivisions of Ohio are required to be audited by the Auditor of the State of Ohio (AOS) or his designee. The United States Office of Management and Budget through the Single Audit Act of 1996, as amended, has made it possible for all federal grants to be audited via one comprehensive audit. The AOS has determined that the most appropriate way to meet all such requirements is to conduct an independent audit of the City's accounting records, including federal and state grants.

Pursuant to Section 117.09 of the Ohio Revised Code (ORC), the AOS is responsible for audits of all public offices. Prior to 2022, the AOS allowed the City to participate in the selection of an independent certified public accountant to perform the required audit through the AOS competitive bidding process. The AOS has determined that his office will perform the 2024 independent audit of the City of Columbus. The AOS will also perform an audit of the Office of the Franklin County Municipal Court Clerk as part of the 2024 city audit procedures.

ORC 117.13 governs how the AOS charges public offices for the cost of audit services. The total costs of audits, both direct and indirect, are to be recovered by the AOS through charges to their clients. The AOS has traditionally recovered its cost using an hourly rate based on the type of service. For local governments, these costs are offset by resources available in the Local Government Audit Support Fund and the state General Revenue Fund. AOS Bulletin 2023-003 establishes the audit rate for local governments for the state Fiscal Year 2024 or until the AOS publishes a subsequent bulletin, at \$41 per hour. The total fee for the City's 2024 audit, including the Franklin County Municipal Court Clerk, is not to exceed \$347,530.00.

It should be noted that approximately 15% of this contract will be subcontracted to a minority firm selected by the AOS. This has been a subcontracting requirement in the City's audit contract since 1985. The subcontractor may be paid directly by the City upon AOS approval of invoices.

**FISCAL IMPACT**

Funds (\$347,530.00) are currently budgeted in the City Auditor department's 2024 General Fund for this expenditure

To authorize the City Auditor to enter into an agreement for auditing services with the Auditor of State for the calendar year 2024, for the City of Columbus and the Office of the Franklin County Municipal Court Clerk, and to authorize the expenditure of up to \$347,530.00 from the General Fund. (\$347,530.00)

**WHEREAS**, all political subdivisions of Ohio are required to be audited by the Auditor of the State of Ohio or his designee; and

**WHEREAS**, the United States Office of Management and Budget through the Single Audit Act of 1996, as amended, has made it possible for all federal grants to be audited via one comprehensive audit; and

**WHEREAS**, the Auditor of the State of Ohio has determined that the most appropriate way to meet all such requirements is to conduct an independent audit of the City's 2024 accounting records including federal and state grants; and

**WHEREAS**, it is important that the City not be delayed in issuing its Annual Comprehensive Financial Report for the year ended December 31, 2024; and

**WHEREAS**, maximum efficiencies can be achieved by including the Office of the Franklin County Municipal Court Clerk; and

**WHEREAS**, the Auditor of the State of Ohio is responsible for audits of all public offices pursuant to Ohio Revised Code section 117.09; and

**WHEREAS**, the Auditor of State of Ohio determines hourly rates to be charged to local public offices for recovering the costs of audits of local public offices pursuant to Ohio Revised Code section 117.13(C)(4); and

**WHEREAS**, it has become necessary in the usual daily operation of the City Auditor's Office to authorize the City Auditor to enter an agreement with the Auditor of State for the required 2024 audit as required by Ohio Revised Code, **NOW, THEREFORE**,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the City Auditor is hereby authorized to enter into an agreement with the Auditor of the State of Ohio to conduct an audit of the City's 2024 accounting records and financial statements and to render an opinion thereon as required by Ohio Revised Code Chapter 117.

**SECTION 2.** That this agreement includes the audit of the Office of the Franklin County Municipal Court Clerk.

**SECTION 3.** That the sum of \$347,530.00, or so much thereof as may be necessary, is hereby authorized to be expended from the General Fund 1000, Department 22-01, Object Class 03 (Services) per the accounting codes in the attachment to this ordinance.

**See Attached File: Ord 2022-2024 Legislation Template.xls**

**SECTION 4.** The City Auditor is hereby authorized to prorate the costs of this audit to the various funds of the City.

**SECTION 5.** Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.

**SECTION 6.** This ordinance shall take effect and be in force from and after the earliest period allowed by law.