



Department Source: City Manager

To: City Council

From: City Manager & Staff

Council Meeting Date: July 16, 2018

Re: Missouri State Auditor response to Council Resolution 35-18

Executive Summary

At your March 5, 2018 meeting, Council expressed support for a comprehensive, independent performance audit of the City by the Missouri State Auditor and directed the City Manager to obtain estimated costs for conducting such audit. The response to Council's question is outlined below.

Discussion

The estimate for cost was expressed as a range from \$500,000 to \$750,000, but could be higher after initial survey work is completed. This type of audit would require individual audits of the various offices and departments and would result in the Auditor's Office issuing multiple reports. The potential start date would be in either late 2018 or early 2019. Completion of the entire audit could take 2-3 years with reports being released throughout that period as areas are completed.

Should Council wish to proceed, a memorandum of understanding would be negotiated to lay out our approach. The Auditor's Office would then conduct survey work to determine a more accurate cost estimate. This would also result in an engagement letter that would outline all of the responsibilities of the city, including the payment. Upon Council's approval of the engagement letter, the audits would begin.

As an exploratory additional request, the City Manager asked what the cost and time frame would be if the audit was just for the Electric Utility. The estimated cost range for that audit is \$125,000 - \$175,000. As with a comprehensive audit, the potential start date would be either late 2018 or early 2019, but could potentially be completed in 2019.

This report previously came before Council at the April 16, 2018 meeting as REP32-18. This report has come back to Council at the request of Mayor Treece.

Fiscal Impact

Short-Term Impact: \$750,000 but may be higher

Long-Term Impact: unknown

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

[Comprehensive Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
04/16/18	REP32-18 was provided to council.
03/05/2018	R35-18 was provided to council.

Suggested Council Action

Provide staff guidance on how to proceed on this issue.