



Agenda Memorandum

Agenda Item – {{section.number}}.C.

City Council Meeting
May 12, 2025



Strategic Priority 6: Organizational Vitality

Develop and sustain an environment where employees and the organization are equipped and supported to deliver outstanding service to everyone in Westminster

Subject: 2024 Annual Financial Audit Engagement Letter and Auditor Communication on Matters Related to the Planned Scope and Timing of the Audit

Prepared By: Cherie Sanchez, Accounting Manager

Recommended City Council Action:

This report is for information only and requires no formal action by the City Council.

Summary Statement:

The City's independent audit firm, Forvis Mazars, LLP (Forvis Mazars), has provided an audit engagement letter and audit message for City Council's review regarding the City's 2024 annual financial audit.

The engagement letter defines the terms and conditions of the audit relative to the legal relationship between the City and Forvis Mazars.

The audit message defines Forvis Mazars and City responsibilities in relation to the financial statement audit and provides an overview of the scope and timing of the audit.

Statement on Auditing Standards (SAS) Auditing Unit (AU) Section 380, The Auditor's Communication with Those Charged with Governance, requires these formal communications to apprise an organization's governing board about the audit and its outcome.

Fiscal Impact:

\$0 in expenditures

Source of Funds:

Not applicable

Policy Issue(s):

None identified

Alternative(s):

None identified

Background Information:

Chapter IX, Section 9.10 of the City Charter requires that an independent audit be conducted at least annually for all funds reported in the Annual Comprehensive Financial Report (ACFR). This audit must be performed in accordance with generally accepted accounting principles (GAAP) as they pertain to governments, and conducted by Certified Public Accountants (CPAs) with experience in municipal accounting. The 2024 audit is being performed by Forvis Mazars, Certified Public Accountants.

Forvis Mazars was formed following a merger between BKD, LLP and Dixon Hughes Goodman, LLP in June 2022, which created Forvis, LLP, and subsequently the absorption of Mazars, LLP US team and name change in 2024. The City originally contracted with BKD, LLP in 2020 to provide independent professional auditing services, with an option to renew for up to four additional one-year terms, subject to annual appropriation. The 2024 audit represents the fourth and final one-year renewal under this contract.

The American Institute of Certified Public Accountants (AICPA) SAS AU 380, *The Auditor's Communication with Those Charged with Governance*, requires auditors to communicate with those responsible for overseeing the strategic direction of an entity and its accountability obligations.

For the City's 2024 annual financial audit, Forvis Mazars has provided an audit engagement letter (Attachment 1) and pre-audit message (Attachment 2) for City Council's review. The engagement letter is subordinate to the prevailing contract with terms and conditions specific to the 2024 audit. The pre-audit message reviews Forvis Mazars and City responsibilities under generally accepted auditing standards as well as the scope and timing of the audit.

The 2024 annual financial audit commenced with interim work in December 2024 and Forvis Mazars began audit field work on Monday, April 14, 2025. The results and findings of the City's financial audit are scheduled to be communicated to City Council in a written report and Study Session presentation later this year.

This audit process supports the City's Strategic Plan goal of Organizational Vitality by ensuring transparency and communication with the City Council regarding the annual financial audit and the roles and responsibilities of both Forvis Mazars and the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Andrews', with a long horizontal flourish extending to the right.

Jody L. Andrews
City Manager

Attachments:

Attachment 1: 2024 Financial Audit Engagement Letter

Attachment 2: 2024 Financial Audit Message