



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: August 17, 2023

AGENDA TITLE: Consideration of a motion to adopt Resolution 1336 appointing the firm of CliftonLarsonAllen to examine the financial accounts of the City of Boulder for the year ended December 31, 2023.

PRESENTER/S

Nuria Rivera-Vandermyde, City Manager
Kara Skinner, Chief Financial Officer
Anne Penney, Controller
Ron Gilbert, Assistant Controller

EXECUTIVE SUMMARY

Under Colorado law, the City Charter, and various ordinances of the city of Boulder, the City Council is required to appoint an auditor to make a thorough and complete annual examination and audit of all the financial accounts of the city, as summarized in the Comprehensive Annual Financial Report. This “Independent Auditor” also reports and makes recommendations regarding the results of that examination, as communicated in an audit management letter.

During 2020, audit services were rebid for the five-year period beginning with the 2020 audit and ending with the 2024 audit. At the conclusion of the selection process in 2020, the City Audit Committee recommended appointment of the firm of CliftonLarsonAllen as the city’s auditor for the next five years subject to annual appropriation and approval.

During the 2022 audit, CliftonLarsonAllen proved that they were well qualified as governmental accountants and auditors and exercised due care and diligence in the execution of their duties in an effective and efficient manner.

STAFF RECOMMENDATION

Suggested Motion Language:

The 2023 City Audit Committee recommends that City Council officially appoint the firm of CliftonLarsonAllen as the city's independent auditors for fiscal year ended December 31, 2023, in the form of the following motion:

Motion to adopt a Resolution 1336 appointing the Firm of CliftonLarsonAllen to examine the financial accounts of the City of Boulder for the fiscal year ended December 31, 2023.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- **Economic:** The city is required by the city's bond ordinances and many different governmental agencies to have annual audits of the city's financial statements and its various grant programs. The proposed audits are planned as a combined "single audit" designed to satisfy all of those requirements. Failure to have an audit would be a violation of the bond requirements and could also negatively impact future grant eligibility of the city.
- **Environmental:** CliftonLarsonAllen is a national firm with offices in many locations. The office servicing the city's audit is out of the Denver area and the staff and partners are all from local offices. This reduces the carbon footprint because it uses local resources.
- **Social:** There are no direct social implications of accepting the firm of CliftonLarsonAllen as the city's auditors.

OTHER IMPACTS

- **Fiscal** – The proposed fee by CliftonLarsonAllen for the 2023 audit is \$91,880 and has already been factored into the city budget.
- **Staff time** – Staff time for this process is included within the Finance Department's regular annual work plan.

BOARD AND COMMISSION FEEDBACK

In 2020, after discussion and consideration of the proposals and input from the auditor interview committee, CliftonLarsonAllen was recommended as the city's independent auditors for the five-year engagement ending with the audit of the December 31, 2024 financial statements, subject to annual appropriation and approval.

The City Council Audit Committee for 2023 consists of Junie Joseph, Mark Wallach and University of Colorado Professor David Gross. The Council Audit Committee met with the auditors July 26, 2023, to review and discuss the 2022 audit for the year ended December 31, 2022. The City Council Audit Committee unanimously recommended the appointment of CliftonLarsonAllen as the city's independent auditors for the year ended December 31, 2023.

ANALYSIS

CliftonLarsonAllen has performed the city's audit for the fiscal year ending December 31, 2022. During performance of those services, the audit firm has demonstrated a thorough understanding of governmental accounting and auditing standards. They have sought and provided appropriate communication with the City Council Audit Committee and have executed their duties in a responsible and professional manner.

During the July 26, 2023, City Council Audit Committee meeting and after considerable discussion, the City Council Audit Committee unanimously agreed to recommend that City Council officially appoint the firm of CliftonLarsonAllen as the city's independent auditors for the fiscal year ending December 31, 2023, the fourth year of the five-year audit services engagement ending with the audit of the December 31, 2024 financial statements.

ATTACHMENTS

ATTACHMENT A Proposed Resolution

RESOLUTION 1336

**A RESOLUTION APPOINTING THE FIRM OF
CLIFTONLARSONALLEN TO EXAMINE THE
FINANCIAL ACCOUNTS OF THE CITY OF BOULDER
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023.**

WHEREAS, Sections 12 and 105 of the Charter and Chapter 2-2-7 B.R.C., 1981, require the City Council, by resolution, to appoint an auditor, who is a certified public accountant licensed to practice in the State of Colorado and is well informed regarding governmental accounting and auditing; and

WHEREAS, the auditor is required to make a thorough and complete examination and audit of all the financial accounts of the city and report and make recommendations regarding the results of that examination; and

WHEREAS, the City Council Audit Committee has recommended the firm of CliftonLarsonAllen.

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, HEREBY APPOINTS THE FIRM CLIFTONLARSONALLEN TO PERFORM THE ANNUAL AUDIT OF THE CITY RECORDS FOR THE 2023 FISCAL YEAR.

APPROVED this 17th day of August 2023.

Mayor

ATTEST:

City Clerk on behalf of the
Chief Financial Officer and Record