



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2025-267

Agenda Item# I.4.

Agenda Date: 4/15/2025 **Department:** Financial & Administrative Services
Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2025-267 Resolution Awarding Audit Contract to Mauldin & Jenkins, LLC to Provide Independent Audit Services for Fiscal Years 2025 - 2027

Council Priority: Place an 'x' in the box.

- | | |
|--|--|
| <input type="checkbox"/> Safest City | <input type="checkbox"/> Most Skilled Workforce |
| <input type="checkbox"/> Easiest Place to Do Business | <input type="checkbox"/> Most Connected City |
| <input type="checkbox"/> Youth Sports Capital | <input type="checkbox"/> Hub of Recreation and Entertainment |
| <input type="checkbox"/> Abundance of Attainable Housing | <input checked="" type="checkbox"/> Other/Admin <u>Funding of Infrastructure</u> |

Council District: All

Public Hearing: No

Advertising Date/By: N/A

Contact 1 and Phone: Marlene Druga, Ext 2094

Contact 2 and Phone: Evelyn Johnson, Ext 2893

PURPOSE:

In accordance with G.S. 159-34(a), the NC Local Government Commission (LGC) requires that the governing board approve the independent auditor's contract and that the selected auditor shall report directly to the board. City Council is requested to approve the proposed three (3) year audit contract with Mauldin & Jenkins LLC for FY 2025 - FY 2027 audit services in the amount of \$330,000 for the three (3) year term. This estimated fee represents the base audit fee and testing of seven (7) grants.

BACKGROUND:

The City of Greensboro follows a Request for Proposal (RFP) cycle to obtain independent audits of the City's financial statements. The last audit contract was awarded to Cherry Bekaert LLP in 2022. Upon expiration of this contract, an RFP Committee was formed, consisting of Finance, Internal Audit, and M/WBE staff. In February 2025, an RFP was submitted to 11 firms, including 4 certified M/WBE vendors identified by the M/WBE office. The proposal opportunity was also posted on the City's electronic procurement portal for increased vendor exposure. Following the solicitation period, we received 2 proposals to provide independent audit services.

The RFP Committee scored the proposals based on the Firm's experience, staff qualifications, references, understanding of work, consulting availability, local preference and their M/WBE participation (Section 1). The proposal was then scored based on their fees and their overall ability to best meet the needs of the City (Section 2).

The RFP Committee considered both of these firms to be well-qualified and deemed Mauldin & Jenkins the better value in regards to overall costs for the proposed three-year period at approximately \$175,000 less.

Cherry Bekaert included an M/WBE component, proposing to subcontract 5% of the audit service fee to an M/WBE certified vendor located in Greensboro, at estimated \$25,225 over the life of the contract.

Mauldin & Jenkins did not include an M/WBE component in their RFP response and proposed to self-perform the contract 100%. Mauldin & Jenkins did indicate that the firm is willing to try to identify an eligible, qualified M/WBE firm on the NC HUB office list for subcontracting up to 10% of their audit fee, or possibly up to \$33,000 over the life of the contract (for base fee and testing of estimated seven (7) grants).

Firm qualifications and fees, among other audit-related matters were discussed at the April 2, 2025 Audit Committee meeting. The Audit Committee is comprised of the following: Three members of City Council (voting members), one Outside Member, City Manager, Financial and Administrative Services Director and Internal Audit Director, and meets periodically to discuss audit-related matters.

BUDGET IMPACT:

Appropriations for the estimated audit fee of \$107,000 are included in the FY 2024 - 2025 budget and funding for the audit fees in FY 2025 - 2026 and FY 2026 - 2027 will be included in each year's budget.

ACCOUNT NUMBER:

Multiple account numbers will be charged.

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council adopt a resolution to award the contract for independent audit services to Mauldin & Jenkins, LLC in the amount of estimated \$107,000 for FY 2024 - 2025, \$110,000 for FY 2025 - 2026 and \$113,000 for FY 2026 - 2027 for the total estimated contract award of \$330,000 for base audit fee and testing of estimated seven (7) grants.