



## City Council Staff Report

**From: City Manager**  
**Report Type: CONSENT CALENDAR**  
**Lead Department: City Auditor**

**Meeting Date: June 19, 2023**

Report #:2306-1598

### **TITLE**

Approval of Office of City Auditor Task Order Change - FY23-01 Citywide Risk Assessment & FY23-02 Annual Audit Plan; CEQA Status – Not a Project

### **RECOMMENDATION**

The Policy and Services Committee and City Auditor recommend that the City Council approve the change to the Task Orders FY23-01 Citywide Risk Assessment and FY23-02 Annual Audit Plan to expend the period of performance.

### **ANALYSIS**

The agreement between Baker Tilly and the City requires that each internal audit be commenced only upon the City's approval of a Task Order.

The Office of the City Auditor (OCA) presented Task Order FY23-01 – Citywide Risk Assessment and Task Order FY23-02 – Annual Audit Plan and the task orders were recommended for approval by the Policy & Services Committee on February 28, 2023 (CMR 2301-0827<sup>1</sup>), and accepted by the City Council during the City Council meeting on March 13, 2023.

These task orders with the period of performance from March 1, 2023, to June 30, 2023, have not been signed since they were approved on March 13, 2023 (CMR 2302-1021<sup>2</sup>). As a result, OCA has not started FY 2023 Risk Assessment and Annual Audit Plan. The OCA requests the period of performance to be extended to October 31, 2023. The total not-to-exceed budget remains the same.

Baker Tilly presented the attached modified task order during the Policy & Service Committee

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<sup>1</sup> 2/28/2023 Policy & Services Committee, Agenda Item #2, FY 2023 City Auditor Task Orders, <https://portal.laserfiche.com/Portal/DocView.aspx?id=65392&repo=r-704298fc&searchid=9c13c561-3cb8-4755-a26e-845c8abe9fe4>

<sup>2</sup> 3/13/23 City Council, Agenda Item #AA1, FY 2023 City Auditor Task Orders, <https://portal.laserfiche.com/Portal/DocView.aspx?id=65475&repo=r-704298fc&searchid=85065bc1-737b-42ee-8469-aa737014a7de>

meeting on June 13, 2023 (CMR 2305-1527<sup>3</sup>), where a motion to approve the task order change was passed (3-0).

#### **FISCAL/RESOURCE IMPACT**

Work recommended in these task orders is within both the approved scope and compensation of the contract with Baker Tilly and funding levels in the Funding levels in the FY 2023 Operating Budget for the Office of the City Auditor.

#### **STAKEHOLDER ENGAGEMENT**

The Office of the City Auditor will coordinate with the Executive Leadership Team.

#### **ENVIRONMENTAL REVIEW**

Council action on this item is not a project as defined by CEQA because the audit activities do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. CEQA Guidelines section 15378(b)(4).

#### **ATTACHMENTS**

Attachment A: TASK ORDER FY23-01 Citywide Risk Assessment (Extension)

Attachment B: TASK ORDER FY23-02 Annual Audit Plan (Extension)

#### **APPROVED BY:**

Adriane D. McCoy, City Auditor

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<sup>3</sup> 6/13/23 Policy and Services Committee, FY23-010 Citywide Risk Assessment and FY23-02 Annual Audit Plan:  
<https://cityofpaloalto.primegov.com/Portal/viewer?id=2307&type=0>