

## **FINANCE AND ADMINISTRATION COMMITTEE**

**November 6, 2025**

**2:00 p.m.**

**Councilman Denny Whayne Conference Room (Busch Building, 4<sup>th</sup> Floor)**

### **MEMBERS**

**PRESENT:** Brandon Jenson, Chair; Monica Horton; Bruce Adib-Yazdi; and Craig Hosmer.

### **MEMBERS**

**ABSENT:** None.

### **STAFF**

**PRESENT:** David Cameron, City Manager; David Holtmann, Director of Finance; Jody Vernon, Assistant Director of Finance and Comptroller; Maurice S. Jones, Deputy City Manager; Jordan Paul, City Attorney; Collin Quigley, Deputy City Manager; Michelle Kaasa, Senior City Clerk Administrative Specialist; and Anita Cotter, City Clerk.

**GUESTS:** None.

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Brandon Jenson, Chair, called the meeting to order at approximately 2:02 p.m., and roll call was conducted. Present: Brandon Jenson, Bruce Adib-Yazdi, Monica Horton, and Craig Hosmer. Absent: None.

Councilmember Horton moved to approve the minutes of the August 7, 2025, Finance and Administration Committee meeting as presented. Councilmember Hosmer seconded the motion, and it was approved by the following vote: Ayes: Horton, Hosmer, Adib-Yazdi, and Jenson. Nays: None. Absent: None. Abstain: None.

Collin Quigley, Deputy City Manager, opened discussion regarding the hiring process for the City's next internal audit contractor. Jody Vernon, Assistant Director of Finance and Comptroller, provided an overview of the current audit contract and the timeline for securing a new provider. She reported that the existing contract with Forvis Mazars would conclude on November 25 of this year. The current firm was finalizing its final risk assessment and audit work planned deliverables before the transition.

Ms. Vernon noted a Request for Proposals (RFP) for internal audit services was issued on October 15 with responses due on November 18, pending the release of an addendum addressing roughly fifty questions submitted by prospective bidders. She further noted if responses to the addendum were delayed or if revisions were needed to the scoring methodology, the submission date could be extended. Ms. Vernon noted a short gap between engagements would not impact City operations, allowing some flexibility in the timeline.

Approved by the Finance and Administration  
Committee on 1/06/26

Ms. Vernon noted the RFP specified compliance with professional internal auditing standards and the entity would report directly to the Finance and Administration Committee. She further noted bidders had access to prior audit reports, financial statements, and the City's budget documents to inform their proposals. The RFP also outlined a clear selection timeline and evaluation structure. Ms. Vernon noted the initial evaluation would be conducted by a selection committee consisting of staff members, historically including the Director of Finance, Assistant Director of Finance, and a City Manager's Office representative. She further noted the team would score written proposals using standardized criteria and invite the top-ranked firms, typically three, to present to the Finance and Administration Committee. Ms. Vernon added after presentations and questions and answers, final scores would be compiled, and a recommendation would be made to the Committee. The Committee would then decide whether to forward that recommendation to the full City Council for formal contract approval.

Ms. Vernon noted evaluation criteria included firm experience and assigned personnel, references, technical expertise, available resources, project approach, and overall responsiveness. Local vendor preference would apply, since no federal funding was involved in this procurement, and had previously been a determining factor. The proposal scoring matrix and interview scoring sheet remained consistent with the prior RFP process.

In response to questions regarding the length of the contract, Ms. Vernon confirmed the contract was structured as a one-year agreement with four one-year renewal options, allowing a total potential term of five years. Approximately five firms had submitted inquiries, suggesting competitive interest, and annual costs typically ranged between \$100,000 and \$120,000, varying in personnel costs and the number of audits requested.

She added proposals must include hourly billing rates and an annual not-to-exceed total. The Committee could determine whether to direct resources toward one comprehensive audit or multiple smaller reviews. The fee model provided flexibility while maintaining budgetary control.

### **Discussion of Internal vs. External Audit Models**

Members of the Finance and Administration Committee discussed whether the City should continue using an external audit firm or consider reinstating an in-house internal auditor. Historically, the City had used both approaches. Earlier years employed individual staff auditors reporting directly to the Committee, but for roughly the past decade, services had been outsourced to external firms such as Forvis Mazars and previously RubinBrown.

Ms. Vernon and other staff noted that external firms offered broader technical expertise across specialized areas such as cybersecurity, financial controls, and compliance. Large firms could draw on national resources and peer comparisons across municipalities. Committee members also observed that employees may feel more comfortable sharing information with an independent third party. However, an internal auditor would provide continuous presence, daily familiarity, and potentially deeper institutional knowledge.

The consensus was that both models carry advantages. External firms would bring multidisciplinary teams and independence, while internal staff provided continuity and immediate access. The Committee members expressed interest in reviewing the minutes from when the transition from an internal to external model was first approved to better understand that rationale.

### **Risk Assessment and Development of Work Plan**

Ms. Vernon reviewed the process by which the internal auditor developed the annual risk assessment and audit plan. She noted each year, the auditor conducted surveys and interviews with department directors and key staff to identify operational and financial risk areas. Ms. Vernon added high-risk functions, such as cash handling, payroll, and accounts payable, were typically recurring items.

She further noted the auditor consolidated input from directors and staff to produce a list of proposed internal audits, with a list of approximately ten audits recommended the previous year. The Finance and Administration Committee then would review the list, discuss relative priorities, and select the audits to be conducted during the year. She added if something additional came up during the year, this could be adjusted. Ms. Vernon further noted these topics were generally discussed in closed session to maintain confidentiality and prevent premature disclosure of potential audit subjects.

Ms. Vernon shared that previous firms used varying methods for risk assessment, such as rotating between surveys and in-person interviews. She also provided a 10-year summary of prior audit topics, available for Committee members who wished to revisit past findings before recommending new priorities.

Councilmember Jenson noted he had asked that a listing of the past 10 years of audit topics be provided to the Committee. He added he was aware of topics Councilmembers would like to consider that may not necessarily rise within the process of a risk assessment. He expressed his belief that the Committee had a rare opportunity to obtain a close out risk assessment as they were between contracts. He noted the next meeting would be interviews for potential candidates for internal auditor.

Mr. Quigley noted with the schedule, an internal auditor could potentially be under contract by January.

### **Transition Period and Hotline Continuity**

Ms. Vernon noted due to the RFP timeline, a brief gap was expected between the expiration of the current contract and the start of the new one. She emphasized this would not disrupt critical functions and should any urgent need arise during that period, a short-term contract extension could be executed.

Councilmember Adib-Yazdi asked if it was unusual to be discussing the contract this close to its end. Mr. Quigley responded it was not unusual. He noted the City's anonymous reporting hotline, operated by Forvis Mazars, would remain active during the transition. Tips and concerns submitted by employees or citizens would be routed to Human Resources or Finance for follow up regardless of the audit contract status.

### **Audit Team Rotation and Independence**

Committee members discussed the value of rotating the engagement team even if the same firm was re-selected. Staff recommended assigning a new audit team to ensure a fresh perspective and renewed objectivity. This approach aligned with best practices also applied to external financial audits, where team rotation mitigated familiarity risks.

### **Committee Decision Authority and Access to Proposals**

Councilmember Jenson noted the evaluation committee, comprised of the Director of Finance, Assistant Director of Finance, and Deputy City Manager Collin Quigley would perform initial scoring for both proposals and interviews. The Finance and Administration Committee would conduct interviews with shortlisted firms, approximately two to four, and make a final recommendation to the full City Council for approval. Councilmembers requested that proposal materials be distributed confidentially prior to interviews to allow adequate review time and preparation of questions. Staff confirmed this was permissible under procurement rules.

### **Scheduling and Upcoming Meetings**

Because Councilmember Jenson was unavailable on December 4, and to allow additional time for review, the Committee agreed to hold vendor interviews on Monday, December 8, from 10:00 a.m. to 12:00 p.m. Three firms were expected, and each would be allotted approximately 25 minutes, followed by Committee discussion and scoring.

Discussion of potential 2026 audit topics may be postponed until the January meeting to coincide with the new contractor's onboarding and work-plan discussion. Staff anticipated presenting a Council resolution for contract approval in January, which could extend final execution into late January.

Councilmember Jenson noted that early 2026, meetings would be heavy, including the City Fee Study in January, recreational marijuana fund allocations in February, and an upcoming United States Department of Housing and Urban Development (HUD) funding referral. Councilmember Jenson noted a discussion of upcoming topics would follow the closed session interviews in December. Anita Cotter, City Clerk, noted Committee meeting dates for 2026 would be finalized following the Council Chairs' planning session, tentatively scheduled for mid-month.

## **Fee Review and Related Items**

Councilmember Jenson noted the City's comprehensive fee review process was a process in which all departmental fees were evaluated over a three-year rotation for cost-recovery accuracy. Ms. Cotter noted supporting documentation would be provided with the January agenda packet.

## **Taxicab Inspection and Fee Discussion**

Councilmember Horton revisited the taxicab inspection and fee suspension adopted earlier in the year. She recalled that the fee portion had been suspended while maintaining inspection requirements, balancing concerns from operators about paying fees without corresponding inspections. Staff agreed to confirm the specific resolution language and ensure the matter was correctly scheduled for follow-up. Members noted that taxi operations would continue under current licensing procedures, and enforcement mechanisms remained in place pending further review.

## **Next Steps and Adjournment**

Staff summarized action items: issuance of the RFP addendum, completion of scoring by late November, distribution of proposal materials to Committee members, scheduling of December interviews, and verification of taxi ordinance details.

The consensus was that the December meeting would be held on December 8, 2025, at 10:00 a.m. The meeting would include vendor interviews and be scheduled for two hours. Preparation for the January meeting would include the fee study and preliminary discussion of potential 2026 internal audit topics.

Councilmember Adib-Yazdi moved to adjourn. Councilmember Horton seconded the motion, and it was approved by the following vote: Ayes: Horton, Hosmer, Adib-Yazdi, and Jenson. Nays: None. Absent: None. Abstain: None.

The meeting adjourned at approximately 2:50 p.m.