FIRST READING: 4.25.16
SECOND READING: 5.2.16
THIRD READING: ______

ORDINANCE NO. 19-16

BY: JAMES W. MORAN

AN EMERGENCY ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A TWO YEAR CONTRACT EXTENSION AGREEMENT WITH CIUNI & PANICHI, INC. FOR AUDIT SERVICES FOR THE CITY OF ROCKY RIVER AT A COST NOT TO EXCEED $69,447 AS FURTHER DESCRIBED IN THE ATTACHED EXHIBIT "A"

WHEREAS: City of Rocky River, Charter, Article III, Section 19 provides that City Council "…shall authorize by ordinance a contract for an independent annual examination of all City accounts…" and;

WHEREAS: With Ordinance No. 18-12, passed on April 16, 2012, City Council authorized a contract with Ciuni & Panichi, Inc. for a four year term and;

WHEREAS: Dave Yost, Auditor of State, has proposed a two year contract extension agreement with Ciuni & Panichi, Inc. to meet his requirements and those of the City as further described in the attached Exhibit "A" and;

WHEREAS: The total two year fee for the 2015-2016 audits is $69,447.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ROCKY RIVER, COUNTY OF CUYAHOGA, STATE OF OHIO:

SECTION 1. – That the Mayor be and she is hereby authorized to enter into a two year contract extension agreement with Ciuni & Panichi, Inc. for professional audit services to meet the City requirements, as stated above, and as further described in Exhibit "A".

SECTION 2. – That the funds for the payment for the professional services described above, in an amount not to exceed $69,447, shall be paid from the General Fund.

SECTION 3. – That this Ordinance is hereby declared to be an emergency measure, necessary for the immediate preservation of public peace, health and safety, and for the further reason that in order that the professional services be performed as soon as possible, and provided it receives the affirmative vote of two-thirds (2/3) of all members of elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: May 2nd, 2016

JAMES W. MORAN
PRESIDENT OF COUNCIL

PRESENTED
TO MAYOR: May 2nd, 2016

APPROVED: May 2nd, 2016

ATTEST:

SUSAN G. PEASE
CLERK OF COUNCIL

PAMELA E. BOBST
MAYOR

It is hereby certified that the amount required to meet the contract, agreement, payment or expenditure, for the above, has been lawfully appropriated or authorized or directed for such purpose and is in the Treasury or in the process of collection to the credit of the General Fund from any obligation or certification now outstanding.

MICHAEL A. THOMAS, CPA
DIRECTOR OF FINANCE

I, the undersigned clerk of council of the city of Rocky River, State of Ohio, do hereby certify that publication of the foregoing ordinance was duly made by posting a true copy thereof in the lobby of the Rocky River City Hall, in accordance with the charter of Rocky River, commencing on the 2nd day of May, 20 16.

Susan G. Pease
Clerk of Council of the City of Rocky River, Ohio


C:\Users\PeaseS\Desktop\19-16audit ord ipa city extension agreement.docx

City of Rocky River }
County of Cuyahoga } ss

THE UNDERSIGNED CLERK OF THE COUNCIL OF THE CITY OF ROCKY RIVER, OHIO DOES HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF ORDINANCE NO. 19-16 ADOPTED BY THE COUNCIL OF SAID CITY ON THE 2nd DAY OF May, 20 16 THAT THE PUBLICATION OF SUCH ORDINANCE HAS BEEN MADE AND CERTIFIED OF RECORD ACCORDING TO LAW; THAT NO PROCEEDINGS LOOKING TO A REFERENDUM UPON SUCH ORDINANCE HAVE BEEN TAKEN; THAT SUCH ORDINANCE AND THE CERTIFICATE OF PUBLICATION THEREOF, ARE OF RECORD IN ORDINANCE RECORD NO. 19-16

IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY NAME AND AFFIXED MY OFFICIAL SEAL THIS 2nd DAY OF May, 20 16.

Aurora G. Pease
CLERK OF COUNCIL OF THE CITY OF ROCKY RIVER, OHIO

I, the undersigned clerk of council of the city of Rocky River, State of Ohio, do hereby certify that publication of the foregoing ordinance was duly made by posting a true copy thereof in the lobby of the Rocky River City Hall, in accordance with the charter of Rocky River, commencing on the ______ day of ______________, 20____.

______________________________
Clerk of Council of the City of Rocky River, Ohio

# Dave Yost • Auditor of State

## EXTENSION AGREEMENT

This Agreement between **Auditor of State Dave Yost** (Auditor), **City of Rocky River, Cuyahoga County** (Public Office), and **Ciuni & Panichi, Inc.**, an independent public accountant (IPA), extends an existing agreement between these parties as identified in SECTION I below and incorporated herein by reference. These parties agree to abide by all terms and conditions of the original agreement, except as specifically identified in Section II below, and that **no remuneration will be granted in relation to work performed under this modification/extension prior to the execution of this Agreement by all parties.**

### SECTION I – ORIGINAL CONTRACT INFORMATION

| | | | |
|---|---|---|---|
| Public Office Name on RFP | City of Rocky River | | |
| Original Contract Period | January 1, 2011 through December 31, 2014 | | |
| Date RFP was issued | October 20, 2011 | Date MOA Executed | January 18, 2012 |
| Public Office Contact | Michael Thomas | E-mail | mthomas@rrcity.com |
| IPA Contact | Rhonda Hall | E-mail | rhall@cp-advisors.com |

### SECTION II –EXTENSION INFORMATION

Extension Period: January 1, 2015 to December 31, 2016

Check one: ✓ Annual Audit or Biennial Audit ______

**The RFP and related contract are hereby amended for the audit periods noted above as follows:**

Please note: Underlined language represents additions to original contract.

**Work Papers, Work Product, and Records Retention**

The IPA will maintain all engagement documentation in segregated files. The IPA agrees to provide the Auditor of State unconditional access to examine and review engagement documentation created or obtained by the IPA involving its performance under the contract. The IPA agrees to provide copies of any engagement documentation determined necessary by the Auditor of State. The Auditor of State is bound by ORC 4701.19, which provides that an IPA's engagement documentation remains the property of the IPA, even in the possession of the Auditor of State's office, and are not public records available for public disclosure. In the case of support for a finding for recovery, the Auditor of State may request the IPA to sign a limited waiver of this statutory provision. The IPA also will maintain and provide access to timesheets and expense reports that support the IPA's invoices under the contract. All such engagement documentation, timesheets, and expense reports shall be retained by the IPA for a period of five (5) years from the date of completion of the contract.

## SECTION II – EXTENSION INFORMATION (continued)

**Review of Reports and Work Papers - Access to / Retention Thereof**

Furthermore, should it be necessary for AOS to send a notice of proposed finding regarding a potential finding for recovery, AOS will require the IPA to execute a limited waiver, to be prepared by AOS. It is the AOS' policy to allow the individual subject to the proposed FFR to review the engagement documentation (i.e. work papers) on which the proposed finding is based. Since Ohio Rev. Code § 4701.19 provides that an IPA's engagement documentation remains the property of the IPA, even in the possession of the AOS, it is necessary for the IPA to execute the limited waiver for the sole purpose of permitting AOS to show supporting documents (i.e. work papers) to those subject to proposed findings for recovery.

**Contract Modifications**

Modifications should only be requested for issues which were not known at the time of the original proposal, including but not limited to, changes in accounting or professional standards, changes in reporting entity, significant changes in funding, etc. IPA firms must complete the Modification Agreement Form, after any necessary discussions with the Auditor of State representative, and obtain Public Office approval. The Auditor of State will review, and if determined appropriate, approve the signed Modification Agreement, which will set forth the terms of the contract between the Auditor of State, the Public Office, and the firm. **Such agreement must be executed by the Auditor of State prior to the performance of any additional work. No remuneration will be granted in relation to work performed prior to execution of such agreement**. Any additions or reductions to the work agreed to between the Public Office and the firm shall be at an hourly rate that will not exceed the average hourly rate for the corresponding fiscal period set forth in the schedule of fees and expenses included in the sealed dollar cost bid, except in limited circumstances approved by the Auditor of State where the total cost for the audit period does not exceed the original proposed amount. The Modification Agreement Form is available on the Auditor of State's website.

**Manner of Payment**

The Auditor of State requires that electronic invoices be submitted for Auditor of State approval via the IPA Portal billing process prior to presenting the invoice to the Public Office for payment. No payments should be processed by the Public Office without Auditor of State approval.

Progress payments should be made on the basis of **work completed during the billing period** incurred in accordance with the firm's cost proposal. Interim billings shall cover a period of not less than a calendar month. Billings for work completed must be submitted to the Auditor of State timely.

For the final billing, invoices will be processed as above; however, they must provide total actual hours for the engagement. In addition, invoices must be submitted no later than 90 days after the release of the report by the Auditor of State's Clerk of the Bureau. Invoices may NOT be permitted to be submitted and accepted for processing after the 90 days have expired.

All invoices must certify that all amounts set forth therein are properly due and payable for work performed by the IPA and/or by the specified qualified subcontractors, if applicable.

Subject to approval of the billing, the amount paid to the IPA for each billing shall be the total amount billed. However, under no circumstances shall the total amount paid prior to final acceptance of the engagement work for the fiscal period in question exceed eighty (80) percent of the total fee for the current engagement fiscal period, as specified in the contract. Upon approval of the final reports by the Auditor of State, the IPA may submit an invoice for the remainder due for the current engagement fiscal period. No payment shall be construed as acceptance of the engagement work or of any reports by the Auditor of State.

The Auditor of State may inspect the records and work papers of the IPA and of any subcontractor to determine the validity of billings. Adequate records shall be maintained by the IPA to support all billings.

Completed forms should be e-mailed to: IPACorrespondence@ohioauditor.gov (or faxed to 866-603-0003)

**Date Final Report is Due**

It is anticipated this process will be completed and the final report delivered by **June 30th, for each engagement period of the contract.** The final report package should be e-mailed to ipareport@ohioauditor.gov **no later than this date.**

**Affirmations**

The IPA shall mark "Affirmed" or "N/A," as applicable, for each of the affirmations noted in the attached Mandatory Elements Form.

**Cost:** Refer to the attached Schedule of Professional Fees and Expenses for details related to the costs associated with this Extension.

Completed forms should be e-mailed to: IPACorrespondence@ohioauditor.gov (or faxed to 866-603-0003)

## SECTION III – RECITALS/APPROVAL

Due to the need for a contract extension, as stated in SECTION II above, the parties with intent to be legally bound agree as follows:

1. IPA shall, in the performance of its engagements related to the Public Office for the fiscal period(s) set forth in the original Contract, previous Modification Agreements, and in this Agreement, perform all engagement work as set forth in the original Memorandum of Agreement, previous Modifications Agreements and in this Agreement;

2. The performance of the engagement work provided for in this Agreement, and all related payments provided for herein, shall in all respects be subject to the terms and conditions set forth in the original Contract;

3. Should this extension result in the total hours of the contract to exceed the threshold established for use of a MBE/EDGE subcontractor, the IPA shall follow all minority participation and other relevant requirements of the original contract. If applicable, the required MBE/EDGE subcontractor with respect to this Agreement will be:

   Subcontractor: ______________________________

   Address: ______________________________

4. Should this extension involve the use of other subcontractors, the IPA shall follow all relevant requirements of the original contract. If applicable, the other subcontractor with respect to this Agreement will be:

   Subcontractor: ______________________________

   Address: ______________________________

In the event of any conflict or inconsistency between the provisions of this Agreement and the parties' prior contract, the provisions of this Agreement shall control in all respects.

IN WITNESS WHEREOF, Auditor, Public Office and IPA have executed this agreement.

______________________________ ____________

**Ciuni & Panichi, Inc.** **Date**

______________________________ ____________

**Legislative Authority or Designee for the City of Rocky River** **Date**

______________________________ ____________

**Auditor of State** **Date**

Completed forms should be e-mailed to: IPACorrespondence@ohioauditor.gov (or faxed to 866-603-0003)

# City of Rocky River
# Cuyahoga County

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
TO SUPPORT THE TOTAL ALL-INCLUSIVE FIXED FEE
FOR AUDIT SERVICES – January 1, 2015 through December 31, 2016 EXTENSION

| | Hours | Average Hourly Rate | Total Fixed fee | Amount attributed to MBE/EDGE (if applicable) |
|---|---|---|---|---|
| Partners | 17 | | | |
| Managers | | | | |
| Supervisory staff | 127 | | | |
| Staff | 186 | | | |
| Other (specify): | | | | |
| Total for period ending 2015 | 330 | $ 102.44 | $ 33,804 | $ 0 |

| | Hours | Average Hourly Rate | Total Fixed fee | Amount attributed to MBE/EDGE (if applicable) |
|---|---|---|---|---|
| Fiscal period ending 2016 | 330 | $ 108.01 | $ 35,643 | $ 0 |
| Total for fiscal periods 2015-2016 | 660 | $ 105.22 | $ 69,447 | $ 0 |

# City of Rocky River
# Cuyahoga County

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
TO SUPPORT THE TOTAL ALL-INCLUSIVE FIXED FEE
FOR AUDIT SERVICES – January 1, 2015 through December 31, 2016 EXTENSION

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| Total for fiscal periods 2015-2016 | 660 | $ 105.22 | $ 69,447 | $ 0 |