

PROPOSED RESOLUTION NO. 2023-R-47

RESOLUTION NO. 3849

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA ESTABLISHING AN AUDITOR SELECTION COMMITTEE PURSUANT TO SECTION 218.391, F.S.; PROVIDING FOR PURPOSE, MEMBERSHIP, DUTIES, RESPONSIBILITIES, AND MEETINGS OF THE AUDITOR SELECTION COMMITTEE; PROVIDING FOR THE ELECTION OF A MEMBER OF THE CITY COMMISSION TO CHAIR THE AUDITOR SELECTION COMMITTEE; AUTHORIZING THE CITY MANAGER TO NEGOTIATE WITH THE AUDITOR; PROVIDING FOR TERMINATION; PROVIDING FOR CONFLICTS; PROVIDING SEVERABILITY, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 218.391(2) of Florida Statutes requires the governing body of a municipality to establish an auditor selection committee for the primary purpose of selecting an auditor to conduct the City's financial audit, and

WHEREAS, the City previously selected an auditor in 2015 and the existing contract for auditing services is scheduled to expire and has no further renewal option, thereby necessitating the establishment of the auditor selection committee to assist the City Commission in selection of an auditor through the Request for Proposals ("RFP") process; and

WHEREAS, in 2019, the Florida Legislature adopted changes to Florida Statutes Section 218.391, requiring the composition of the selection committee to include the participation of a member of the local government's governing board, and have the elected member of the local government's governing board to chair the auditor selection committee; and

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WHEREAS, Section 218.391 prohibits City employees, the City Manager, or the Chief Financial Officer from serving on the Auditor Selection Committee, but allows them to serve in an advisory capacity; and

WHEREAS, Section 218.391(4)(d), Florida Statute, authorizes the City Commission to designate the City Manager to negotiate with the selected firm on behalf of the City Commission; and

WHEREAS, the City Commission finds that the establishment of an auditor selection committee and the designation of the City Manager to negotiate on behalf of the City Commission is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The foregoing Recitals are true and correct and incorporated herein by this reference.

Section 2. Establishment of Auditor Selection Committee. The Auditor Selection Committee (the "Committee") is established pursuant to Florida Statutes Section 218.391.

Section 3. Purpose. The purpose of the Auditor Selection Committee is to establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm, publicly announce requests for proposal, evaluate the proposals, and rank and recommend firms in order of preference to the City Commission for an

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auditor to conduct the annual financial audit in accordance with Section 218.391, Florida Statutes.

Section 4. Election of a Commission Member to the Selection

Committee. The City Commission shall appoint a member of its governing body to participate and chair the Committee pursuant to Section 218.391, F.S.

Section 5. Composition of the Committee. The Committee shall be comprised of three (3) regular members:

1. A member of the City Commission to serve as Chair of the Committee.
2. One (1) member from the community with experience and knowledge relevant to municipal accounting and financial matters. The community member shall be a resident of the City and shall be nominated by a majority of the members of the City Commission. City Commission shall make such appointment to the committee as it deems appropriate, and
3. One (1) member who is currently employed or has been employed in the public sector with professional experience related to governmental accounting, auditing, financial reporting, budgeting, financial services, and related experience or credentials.
4. Employees of the City may provide services to the committee in an advisory capacity.

Section 6. Auditor Selection Committee Duties and Responsibilities.

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1. Section 218.391(3), F.S., establishes the duties of the Auditor

Selection Committee, which include:

- i. Establishment of factors to be used for the evaluation of audit services to be provided by an audit firm.
 - ii. Public announcement of a Request for Proposal (RFP).
 - iii. Providing interested firms with the RFP.
 - iv. Evaluation of proposals provided by qualified firms.
 - v. Ranking and recommendation in order of preference of no fewer than three firms deemed to be the most highly qualified to perform the required services. If fewer than three firms respond to the RFP, the committee shall recommend such firms as it deems to be the most highly qualified.
2. The Auditor Selection Committee is an evaluation committee of the City and members are responsible for abiding by all State requirements and City policies and practices related to the procurement of services, such as public records, Sunshine law, etc.
3. The Auditor Selection Committee shall be directly assisted in the fulfillment of all duties by the City's staff, who shall perform all administrative and operational work required.

Section 7. Meetings; quorum and voting; attendance requirements; rules of procedures; minutes.

1. Meetings. The committee shall hold meetings as it determines

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necessary to fulfill its duties and exercise its powers. Members shall serve without compensation but may be reimbursed for necessary expenses incurred in official duties, as may be determined and approved by the City Commission. Meetings may be scheduled at the call of the Chairperson through the City Clerk. The meeting shall be held at City Hall, or another space available as determined by the City Clerk. All meetings shall be open to the public and are subject to the Florida Sunshine Law and Florida Public Records Law.

2. Quorum and voting. A quorum shall consist of no less than three voting members.
3. Minutes. Copies of minutes of all committee meeting shall be kept by the City Clerk

Section 8. Termination. The Auditor Selection Committee shall terminate upon

execution of an agreement between the City and the auditor.

Section 9. Negotiations. The City Manager, pursuant to Section 218.391(4)(d),

Florida Statutes is authorized to conduct negotiations with the selection firm on behalf of the City Commission.

Section 10. Conflict. All resolutions or parts of resolution in conflict herewith are

hereby repealed to the extent of such conflict.

Section 11. Severability. If any clause, section or other part of this

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Resolution

shall be held by any account of competent jurisdiction to be unconstitutional or invalid part shall be considered as eliminated and in no way affecting the validity of the other provisions of this Resolution.

Section 12. **Effective Date.** This Resolution shall take effect immediately upon adoption.

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PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF
PEMBROKE PINES, FLORIDA, THIS 6TH DAY OF DECEMBER, 2023.

CITY OF PEMBROKE PINES, FLORIDA

ATTEST:


MARLENE GRAHAM, CITY CLERK
12/7/23

BY:


MAYOR FRANK C. ORTIS

ORTIS AYE

CASTILLO AYE

GOOD AYE

SCHWARTZ AYE

SIPLÉ AYE

APPROVED AS TO FORM:


OFFICE OF THE CITY ATTORNEY
12/7/23



City of Pembroke Pines, FL

601 City Center Way
Pembroke Pines, FL
33025
www.ppines.com

Agenda Request Form

Agenda Number: 22.

File ID: 2023-R-47	Type: Resolution	Status: Passed
Version: 1	Agenda Section:	In Control: City Commission
Short Title: Proposed Resolution 2023-R-47: Auditor Selection Committee		File Created: 11/21/2023 Final Action: 12/06/2023

Title: MOTION TO ADOPT PROPOSED RESOLUTION 2023-R-47.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA ESTABLISHING AN AUDITOR SELECTION COMMITTEE PURSUANT TO SECTION 218.391, F.S.; PROVIDING FOR PURPOSE, MEMBERSHIP, DUTIES, RESPONSIBILITIES, AND MEETINGS OF THE AUDITOR SELECTION COMMITTEE; PROVIDING FOR THE ELECTION OF A MEMBER OF THE CITY COMMISSION TO CHAIR THE AUDITOR SELECTION COMMITTEE; AUTHORIZING THE CITY MANAGER TO NEGOTIATE WITH THE AUDITOR; PROVIDING FOR TERMINATION; PROVIDING FOR CONFLICTS; PROVIDING SEVERABILITY, AND PROVIDING FOR AN EFFECTIVE DATE.

***Agenda Date:** 12/06/2023

Enactment Date: 12/06/2023

Agenda Number: 22.

Enactment Number: 3849

Internal Notes:

Attachments: 1. Proposed Resolution 2023-R-47, 2. FL Statutes 218 391 Auditor Selection Procedures, 3. Florida Auditor General auditor selection guidance.pdf

Indexes:

Related Files:

1	City Commission	12/06/2023	adopt	Pass
Action Text: A motion was made by Commissioner Castillo, seconded by Vice Mayor Siple, to adopt Proposed Resolution 2023-R-47. The motion carried by the following vote:				
Aye: - 5 Mayor Ortis, Vice Mayor Siple, Commissioner Schwartz, Commissioner Good Jr., and Commissioner Castillo				
Nay: - 0				

SUMMARY EXPLANATION AND BACKGROUND:

1. The City's External Audit contract with GLSC & Company, PLLC is set to expire on June 30th, 2024, and does not provide for any further renewals.
2. The City is required to procure the services of an Independent Auditor using the Auditor selection procedures per Florida Statutes 218.391 which requires that an Audit Committee be established.
3. In 2019, the Florida Legislature adopted changes to Florida Statutes Section 218.391, requiring the composition of the selection committee to include the participation of a member of the local government's governing board to chair the selection committee. It also prohibits City employees, the City Manager, or the Chief Financial Officer from serving on the Auditor Selection Committee but allows them to serve in an advisory capacity.
4. Section 5 of the Proposed Resolution establishes the composition of the Committee to be comprised of three (3) members:
 1. A member of the City Commission to serve as Chair of the Committee.
 2. One (1) member from the community with experience and knowledge relevant to municipal accounting and financial matters. The community member shall be a resident of the City and shall be nominated by a majority of the members of the City Commission. City Commission shall make such appointment to the committee as it deems appropriate, and
 3. One (1) member who is currently employed or has been employed in the public sector with professional experience related to governmental accounting, auditing, financial reporting, budgeting, financial services, and related experience or credentials.
 4. Employees of the City may provide services to the committee in an advisory capacity.
5. Once this Resolution has been passed, the City Clerk will advertise the positions and an item will be brought forth in January 2024 to select the members of the Committee and appoint a member of the Commission to Chair the Committee.
6. Request Commission pass Resolution 2023-R-47.

FINANCIAL IMPACT DETAIL:

- a) **Initial Cost:** None
- b) **Amount budgeted for this item in Account No:** Not Applicable.
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable.
- d) **5 year projection of the operational cost of the project** Not Applicable.
- e) **Detail of additional staff requirements:** Not Applicable.

FEASIBILITY REVIEW:

A feasibility review is required for the award, renewal and/or expiration of all function sourcing

contracts. This analysis is to determine the financial effectiveness of function sourcing services.

- a) Was a Feasibility Review/Cost Analysis of Out-Sourcing vs. In-House Labor Conducted for this service? Not Applicable.**
- b) If Yes, what is the total cost or total savings of utilizing Out-Sourcing vs. In-House Labor for this service? Not Applicable.**

Select Year:

The 2023 Florida Statutes

[Title XIV](#)
TAXATION AND
FINANCE

[Chapter 218](#)
FINANCIAL MATTERS PERTAINING TO POLITICAL
SUBDIVISIONS

[View Entire
Chapter](#)

218.391 Auditor selection procedures.—

(1) Each local governmental entity, district school board, charter school, or charter technical career center, prior to entering into a written contract pursuant to subsection (7), except as provided in subsection (8), shall use auditor selection procedures when selecting an auditor to conduct the annual financial audit required in s. 218.39.

(2) The governing body of a county, municipality, special district, district school board, charter school, or charter technical career center shall establish an auditor selection committee.

(a) The auditor selection committee for a county must, at a minimum, consist of each of the county officers elected pursuant to the county charter or s. 1(d), Art. VIII of the State Constitution or their respective designees and one member of the board of county commissioners or its designee.

(b) The auditor selection committee for a municipality, special district, district school board, charter school, or charter technical career center must consist of at least three members. One member of the auditor selection committee must be a member of the governing body of an entity specified in this paragraph, who shall serve as the chair of the committee.

(c) An employee, a chief executive officer, or a chief financial officer of the county, municipality, special district, district school board, charter school, or charter technical career center may not serve as a member of an auditor selection committee established under this subsection; however, an employee, a chief executive officer, or a chief financial officer of the county, municipality, special district, district school board, charter school, or charter technical career center may serve in an advisory capacity.

(d) The primary purpose of the auditor selection committee is to assist the governing body in selecting an auditor to conduct the annual financial audit required in s. 218.39; however, the committee may serve other audit oversight purposes as determined by the entity's governing body. The public may not be excluded from the proceedings under this section.

(3) The auditor selection committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.

(c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.

(d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.

(e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If

fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

(4) The governing body shall inquire of qualified firms as to the basis of compensation, select one of the firms recommended by the auditor selection committee, and negotiate a contract, using one of the following methods:

(a) If compensation is not one of the factors established pursuant to paragraph (3)(a) and not used to evaluate firms pursuant to paragraph (3)(e), the governing body shall negotiate a contract with the firm ranked first. If the governing body is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be formally terminated, and the governing body shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, negotiations shall then be terminated with that firm and undertaken with the third-ranked firm. Negotiations with the other ranked firms shall be undertaken in the same manner. The governing body, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time.

(b) If compensation is one of the factors established pursuant to paragraph (3)(a) and used in the evaluation of proposals pursuant to paragraph (3)(d), the governing body shall select the highest-ranked qualified firm or must document in its public records the reason for not selecting the highest-ranked qualified firm.

(c) The governing body may select a firm recommended by the audit committee and negotiate a contract with one of the recommended firms using an appropriate alternative negotiation method for which compensation is not the sole or predominant factor used to select the firm.

(d) In negotiations with firms under this section, the governing body may allow a designee to conduct negotiations on its behalf.

(5) The method used by the governing body to select a firm recommended by the audit committee and negotiate a contract with such firm must ensure that the agreed-upon compensation is reasonable to satisfy the requirements of s. 218.39 and the needs of the governing body.

(6) If the governing body is unable to negotiate a satisfactory contract with any of the recommended firms, the committee shall recommend additional firms, and negotiations shall continue in accordance with this section until an agreement is reached.

(7) Every procurement of audit services shall be evidenced by a written contract embodying all provisions and conditions of the procurement of such services. For purposes of this section, an engagement letter signed and executed by both parties shall constitute a written contract. The written contract shall, at a minimum, include the following:

(a) A provision specifying the services to be provided and fees or other compensation for such services.

(b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract.

(c) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed.

(8) Written contracts entered into pursuant to subsection (7) may be renewed. Such renewals may be done without the use of the auditor selection procedures provided in this section. Renewal of a contract shall be in writing.

(9) If the entity fails to select the auditor in accordance with the requirements of subsections (3)-(6), the entity must again perform the auditor selection process in accordance with this section to select an auditor to conduct audits for subsequent fiscal years.

History.—s. 65, ch. 2001-266; s. 1, ch. 2005-32; s. 15, ch. 2019-15.