



# MEMORANDUM

## City of Venice

### Finance Department

TO: Ed Lavallee, City Manager

FROM: Peter Boers, Procurement Manager

DATE: May 17, 2021

COUNCIL APPROVAL: Yes

MEETING DATE: May 25, 2021

STRATEGIC PLAN GOAL: Provide Efficient, Responsive Government with High Quality

SUBJECT: Approval of Recommendation of Award by the Auditor Selection Committee to MSL, P.A., to Provide Professional Audit Services

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Background: Request for Proposals (RFP) 3124-21 for Professional Audit Services was distributed on March 23, 2021. Six (6) proposals were received on April 20, 2021.

On May 3, 2021, the Auditor Selection Committee met to review, discuss, and score the proposals received. The six (6) proposals were scored and ranked.

Rank	Proposer	Total of Rankings
1	MSL, P.A.	3
2	Mauldin & Jenkins, LLC	7
3	CS&L CPAs	8
4	Marcum, LLP	10
5	Keefe McCullough	14
6	Clifton. Larson, Allen	17

A Notice of Intent to Award was issued on May 3, 2021

Requested Action: Approval of the Auditor Selection Committee's Recommendation of Award to MSL, P.A., to provide professional audit services for the City.

City Attorney Review/Approved: Yes

Risk Management Review: N/A

Finance Department Review/Approved: Yes

Funds Availability (account number): Funds are available in the City's General and Enterprise Funds

**ORIGINAL(S) ATTACHED:** Notice of Intent to Award, Summary Score Sheet, Engagement Letter, RFP 3124-21, MSL, P.A. Submittal

Cc: Linda Senne, Finance Director



**CITY OF VENICE**  
**401 W. Venice Avenue Venice, FL. 34285**  
**NOTICE OF ACTION**

**REQUEST FOR PROPOSALS (RFQ) # 3124-21**

**RFP TITLE:** Professional Audit Services

**SUBMITTAL DEADLINE:** April 20, 2021

**SUBJECT:** Notice of Intent to Award.

Based on Evaluation Committee's review of proposals on May 3, 2021. The City of Venice (City) has ranked proposers responding to the above referenced RFP as follows:

	Proposer	Total of Rankings
1	<b>MSL, P.A.</b>	<b>3</b>
2	Mauldin & Jenkins, LLC	7
3	CS&L CPAs	8
4	Marcum, LLP	10
5	Keefe McCullough	14
6	Clifton. Larson, Allen	17

It is the City's intent to initiate contract negotiations with the top ranked firm (**in bold font above**).

By: Peter A. Boers, CPPB, CPPO  
Peter A. Boers, Procurement Manager

Date: 5/03/2021

**Request for Proposals 3124-21  
Summary Score Sheet**

	<b>Evaluator 1 Score</b>	<b>Rank Evaluator 1</b>	<b>Evaluator 2 Score</b>	<b>Rank Evaluator 2</b>	<b>Evaluator 3 Score</b>	<b>Rank Evaluator 3</b>	<b>Total of Rankings Evaluator</b>	<b>Rank</b>
<b>Clifton, Larson, Allen</b>	82	5	15	6	83	6	17	6
<b>CS&amp;L CPAs</b>	84	4	60	2	93	2	8	3
<b>Keefe McCullough</b>	79	6	40	3	86	5	14	5
<b>Marcum, LLP</b>	85	3	40	3	88	4	10	4
<b>Mauldin &amp; Jenkins, LLC</b>	86	2	40	3	93	2	7	2
<b>MSL, P.A.</b>	93	1	100	1	95	1	3	1



May 17, 2021

**VIA EMAIL**

The Honorable Mayor and Members  
of the City Council  
City of Venice, Florida:

We are pleased to confirm our understanding of the services we are to provide the City of Venice (the City) for the fiscal years ending September 30, 2021, 2022, and 2023. This scope of services is made in compliance with and incorporates the City of Venice's Request for Proposal (RFP) #3124-21 titled "Professional Audit Services" and our proposal in response to that RFP. In addition, the agreement may be renewed for three (3) additional one-year periods with the mutual consent of both parties.

**SCOPE OF SERVICES**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City as of and for the years ending September 30, 2021, 2022 and 2023 and the option for three, one-year renewals. Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who consider it essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles ("GAAP") and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) OPEB Required Supplementary Information
- 3) Municipal Firefighters & Police Officers' Pension Trust Schedules
- 4) Pension Schedules related to the City's participation in the Florida Retirement System

We have also been engaged to report on supplementary information other than RSI that accompanies City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements:

- 1) Schedule of expenditures of federal awards and state financial assistance
- 2) Combining and Individual Fund Statements and Schedules

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

- 1) Introductory Section
- 2) Statistical Section

#### **AUDIT OBJECTIVES**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements taken as a whole. The objective also includes reporting on the City's:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major federal programs and major state projects and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major federal program or major state project in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as applicable, and Chapter 10.550, *Rules of the Auditor General*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose. If, during our audit, we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. generally accepted auditing standards ("U.S. GAAS") and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996 (if applicable); the provisions of the Uniform Guidance (if applicable); the Florida Single Audit Act (if applicable); the *Rules of the Auditor General*, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit(s) (if applicable). Our reports will be addressed to the City Council. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also issue a written management letter, as required by Chapter 10.550, *Rules of the Auditor General for Local Governmental Entity Audits*, upon completion of the audit.

### **Examination Objective**

The objective of our examination(s) is the expression of an opinion(s) as required by Florida Auditor General Rules 10.556 (10) (a) – ( e ) as applicable. Our examination(s) will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (“AICPA”) and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion(s).

### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs (if applicable). However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that comes to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit (if applicable). Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; schedule of expenditures of passenger facility charges; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by U.S. GAAS.

### **Audit Procedures - Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are

material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, the Florida Single Audit Act (if applicable), we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program, state major project, and the passenger facility charge program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance, Florida Single Audit Act (if applicable).

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, the Uniform Guidance, the Florida Single Audit Act (if applicable).

#### **Audit Procedures - Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We are also responsible for communicating certain matters in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the state of Florida. These matters will be communicated in the management letter.

The Uniform Guidance, and the Florida Single Audit Act (if applicable) require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs and state projects. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement*, the Florida Department of Financial Service's State Projects *Compliance Supplement*, for the types of compliance requirements that could have a direct and material effect on each of the City's major programs and major state projects. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance, the Florida Single Audit (if applicable).

#### **Management Responsibilities**

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards and state projects, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met, (2) following laws and regulations, (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements, and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles;



for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards and state financial assistance, the schedule of expenditures of passenger facility charges and all accompanying information in conformity with GAAP, and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, the Florida Single Audit Act (if applicable), (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the City's compliance with the applicable sections of Florida Auditor General Rules 10.556 (10) (a) – ( e ).

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, the Florida Single Audit Act (if applicable), it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings (if applicable); and prepare a summary schedule of prior audit findings and a separate corrective action plan (if applicable).

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards and state financial assistance (including notes and non-cash assistance received) in conformity with the Uniform Guidance and the Florida Single Audit Act (if applicable). You agree to include our report on the schedule of expenditures of federal awards and state financial assistance in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards and state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards and state financial assistance that includes our report thereon, or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards and state financial assistance no later than the date the schedule of expenditures of federal awards and state financial assistance are issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule

of expenditures of federal awards and state financial assistance in accordance with the Uniform Guidance, the Florida Single Audit Act (if applicable), (2) you believe the schedule of expenditures of federal awards and state financial assistance, including their form and content, is stated fairly in accordance with the Uniform Guidance, and the Florida Single Audit Act (if applicable), (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP, (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and the schedule of expenditures of federal awards and state financial assistance. You have designated Linda Senne, Finance Director, an individual with suitable skills, knowledge, and experience, to oversee your audit.

#### **Engagement Administration and Other**

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

You acknowledge that as a condition of our agreement to perform an audit, you and the City's management agree to the best of your knowledge and belief to be truthful, accurate, and complete in the representations you make to us during the course of the audit and in the written representations provided to us at the completion of the audit.

Because of the importance of management's representations, contained in your representation letter to us, to the effective performance of our services, the City will release MSL, P.A. and its personnel from any claims, liabilities, costs and expenses relating to our services under this letter attributable to any misrepresentations in the representation letter referred to above or made to us by any member of management. In addition, the City further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, that we may incur as a result of the services performed under this engagement in the event there are known misrepresentations made to us by any member of the City's management.

We understand that your employees will prepare all confirmations that we request and will locate any documents selected by us for testing. You are responsible for any costs or fees charged by the organization(s) or individual(s) responding to the confirmation requests.

William Blend is the Engagement Shareholder and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit in August of each year and issue our reports no later than March 31.

**FEES** - Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.), except that we agree that our gross fee, including expenses, will not exceed the amount below.

<b><u>FISCAL YEAR ENDING</u></b>	<b><u>FEE</u></b>
9/30/2021	\$ 58,000
9/30/2022	\$ 58,000
9/30/2023	\$ 60,000

In the event we are requested or authorized by the City or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

A service charge of 1.5 percent per month will be assessed on any invoice not paid within thirty (30) days of the invoice date. We reserve the right to halt further services until payment on past due invoices is received. In the event that collection procedures are required, you agree to pay all expenses of collection, including collection efforts by our staff, which will be billed at our standard hourly rates, and all attorney's fees and costs actually incurred by our Firm in connection with such collection, whether or not suit is filed thereon.

**LAW** - This agreement will be interpreted in accordance with Florida laws and the terms and conditions as required by the Florida Board of Accountancy, where applicable.

You agree that our maximum liability to you for any negligent errors or omissions committed by us in the performance of the engagement will be limited to three times the amount of our fees for this engagement, except to the extent determined to result from our gross negligence or willful misconduct.

The audit documentation for this engagement is the property of MSL, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Secretary of Housing and Urban Development, the HUD Inspector General, and the Government Accountability Office or their representatives, pursuant to authority given to them by law or regulation. Access to such audit documentation will be provided under the supervision of MSL, P.A. personnel. Furthermore, upon request, we may provide photocopies of selected audit documentation to HUD or the Government Accountability Office representatives. HUD and the Government Accountability Office may decide to distribute the copies or information contained therein to others, including other governmental agencies.

The workpapers for this engagement will be retained for a minimum of seven (7) years after the date the auditor's report is issued, or for any additional period requested by HUD. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

We do not waive any rights or privileges granted under federal or state laws, statutes, or regulations with regard to client/accountant privileges.

**MEDIATION** - Parties to this engagement agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement. In the event that the parties cannot agree to a mediator, each will choose one and the two will choose a third, who will serve as sole mediator. The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by both parties.

#### **E-Verify Requirement**

Auditor and its sub-consultants (if any) warrant compliance with all federal immigration laws and regulations that relate to their employees including, but not limited to, registering with, and using the E-Verify system. Auditor agrees and acknowledges that the City is a public employer that is subject to the E-Verify requirements as set forth in Section 448.095, Florida Statutes, and that the provisions of Section 448.095, F.S., apply to this Contract. Notwithstanding, if the City has a good faith belief that Auditor has knowingly hired, recruited, or referred an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States for employment under this Contract, the City shall terminate the Contract. If the City has a good faith belief that a sub-consultant performing work under this Contract knowingly hired, recruited, or referred an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States for employment under this Contract, the City shall promptly notify Auditor and order Auditor to immediately terminate the contract with the sub-consultant. Auditor shall be liable for any additional costs incurred by the City as a result of the termination of the Contract based on Auditor's failure to comply with the E-Verify requirements referenced herein.

#### **Public Entity Crimes Bill**

Section 287.133, Florida Statutes, provides that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

#### **Public Records.**

In accordance with the provisions of Chapter 119.0701(2), Florida Statutes:

- A. **IF AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: LORI STELZER, (941) 882-7390**
- B. Auditor must comply with public records laws, specifically to:
  - (1) Keep and maintain public records required by the City to perform the service.
  - (2) Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.

- (3) Ensure that the public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of the Agreement and following completion of the Agreement if Auditor does not transfer the records to the City.
- (4) Upon completion of the Agreement, transfer, at no cost to the City, all public records in possession of Auditor or keep and maintain public records required by the City to perform the service. If Auditor transfers all public records to the City upon completion of the Agreement, Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Auditor keeps and maintains public records upon completion of the Agreement, Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format with the information technology systems of the City.

**TERM** - This engagement is for a limited period of time and is further limited by scope. Any other services performed on your behalf shall be by separate agreement. If at any time during the engagement, you fail to make prompt payments or cooperate with the staff performing this engagement, we reserve the right to suspend performance until such time as payment is made or cooperation resumes. Our engagement to serve as your independent auditor is contingent upon the results obtained from our client acceptance and continuance due diligence procedures. In the event circumstances arise that cause us to believe that we can no longer adequately meet our obligations, or if we believe that continued performance would require us to compromise our ethical standards, we reserve the right to immediately suspend or terminate this contract. You understand that if this contract is suspended or terminated, reports or documents may not be prepared timely and you agree to hold MSL, P.A. and its employees harmless for any damages suffered. In no event will our Firm be liable for incidental or consequential damages, even if we have been advised of the possibility of such damages.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our most recent peer review accompanies this letter.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

Sincerely,

**MSL, P.A.**

The above terms and conditions are accepted  
and affirmed.

By: \_\_\_\_\_

Date: \_\_\_\_\_

*Attachment*

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8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809  
225-922-4600 Phone – 225-922-4611 Fax – [pncpa.com](http://pncpa.com)

*A Professional Accounting Corporation*

## Report on the Firm's System of Quality Control

To the Partners of MSL, P.A.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of MSL, P.A. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and an audit of a broker-dealer.

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of MSL P.A. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. MSL, P.A. has received a peer review rating of *pass*.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
January 7, 2021