

**PORT OF GALVESTON
REQUEST FOR DISCUSSION AND
TRUSTEES ACTION**

BUSINESS - ITEM

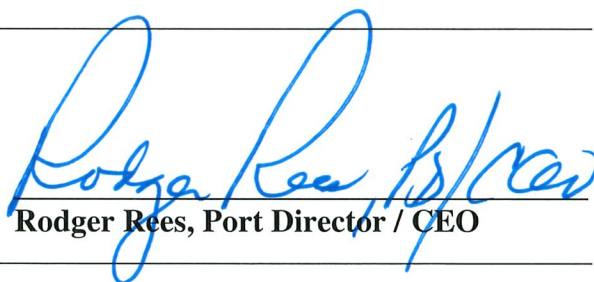
PREPARED BY: Mark Murchison Chief Financial Officer September 22, 2022

SUBJECT: Discuss and Consider Request for Qualifications for Professional Audit Services and Selection of Professional Audit Services Firm to Perform the Audit of Financial Statements of the Board of Trustees of the Galveston Wharves, the Federal Single Source Audit, the State Single Source Audit the Annual Comprehensive Financial Report (ACFR), and the Annual Defined Benefit Pension Plan Audit beginning with the Year Ending December 31, 2022 through 2024 and contains option for two one year extensions

BACKGROUND: The Board of Trustees selected RSM US LLP to conducted the afore mentioned services for the past 4 years. This year RSM indicated a significate increase in fee structure. Due to this rate increase, the Port requested qualifications for professional audit services. Staff issued the RFQ and received five proposals for consideration. A list of the responding firms is attached. The staff audit evaluation team members reviewed and evaluated the applications and invited the two highest ranked Audit Firms to make presentations to the Board. Staff is of the opinion that these are the top two respondents and recommends the Trustees select one of these firms to conduct the 2022 audits.

RECOMMENDATIONS: The Board of Trustees is respectfully requested to listen to the presentations by the audit firms and instruct staff as to the preferred firm to engage for the 2022 thru 2024 year end audits and contains two one-year extensions ending with 2026 year end audit. The audits to be performed are the annual financial audit of the Board of Trustees of the Galveston Wharves, the Federal Single Source Audit, the State Single Source Audit, and the Galveston Wharves Pension Plan Audit.

Respectfully Submitted By:


Rodger Rees, Port Director / CEO

DATE ACTION TAKEN: _____

Approved: _____
Disapproved: _____
Deferred To: _____
Incorporated into Minutes: _____

Motion By: _____
Seconded By: _____
Unanimous: Yes _____ No _____
By: _____

PORT OF GALVESTON
Briefing

Discuss and Consider Request for Qualifications for Professional Audit Services and Selection of Professional Audit Services Firm to Perform the Audit of Financial Statements of the Board of Trustees of the Galveston Wharves, the Federal Single Source Audit, the State Single Source Audit the Annual Comprehensive Financial Report (ACFR), and the Annual Defined Benefit Pension Plan Audit beginning with the Year Ending December 31, 2022 through 2024 and contains option for two one year extensions

Background

The Board of Trustees selected RSM US LLP to conducted the afore mentioned services for the past 4 years. This year RSM indicated a significate increase in fee structure. Due to this rate increase, the Port requested qualifications for professional audit services. Staff issued the RFQ and received five proposals for consideration. A list of the responding firms is attached. The staff audit evaluation team members reviewed and evaluated the applications and invited the two highest ranked Audit Firms to make presentations to the Board. Staff is of the opinion that these are the top two respondents and recommends the Trustees select one of these firms to conduct the 2022 audits.

Current Situation

Auditing services are considered professional services. Solicitation of these services requires a two-step process, the first of which is determination of qualifications. Staff issued an RFQ and received five qualified responses. Based on the information provided, public records available on these applicants, and on reference checks, the audit evaluation team selected the top two scoring applicants to present to the Board of Trustees. RSM declined to bid.

Fiscal Impact

The projected cost of the 2022 financial audits will be determined after the Board instructs staff of the firm selected. The cost related to the Defined Benefit Pension Plan audit will be borne by the pension fund.

Staff Recommendation

The Board of Trustees is respectfully requested to listen to the presentations by the audit firms and instruct staff as to the preferred firm to engage for the 2022 thru 2024 year end audits and contains two one-year extensions ending with 2026 year end audit. The audits to be performed are the annual financial audit of the Board of Trustees of the Galveston Wharves, the Federal Single Source Audit, the State Single Source Audit, and the Galveston Wharves Pension Plan Audit.

Attachment

Firms Responding to the Auditor RFQ

Forvis, LLP
2700 Post Oak Boulevard
Suite 1500
Houston, TX 77056

Whitely Penn
3737 Buffalo Speedway, Suite 1600
Houston, TX 77098

Weaver and Tidwell, LLP
1406 Wilson Road, Suite 100
Conroe, TX 77304

Pattillo, Brown and Hill, LLP
401 West Highway 6
Waco, TX 76710

Clifton, Larson and Allen LLP
11501 Burnet Road
Building 906 Suite 125
Austin, TX 78758-3447