

December 12, 2023

# City of Palo Alto

Office of the City Auditor

FY2024 Annual Audit Plan

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# Introduction

## Introduction

The purpose of the audit activities performed by the Office of the City Auditor (OCA) for the City of Palo Alto (the City) is “to ensure that city management is using its financial, physical, and informational resources effectively, efficiently, economically, ethically, and equitably, and in compliance with laws, regulations, contract and grant requirements, and city policies and procedures”, according to the Palo Alto Municipal Code ([Section 2.08.130](#)). It requires the City Auditor prepare an annual audit plan for the City Council’s approval at the beginning of each fiscal year.

In accordance with the Task #1 and Task #2 of the Baker Tilly agreement ([City of Palo Alto Contract No. C21179340](#)), Baker Tilly US, LLP (Baker Tilly) performed the initial risk assessment after having started to serve as the OCA in October 2020 and submitted in early 2021 the FY21-FY22 annual audit plan. For the second year, the OCA updated the initial risk assessment and submitted the FY22-FY23 audit plan. This report includes the proposed FY23-FY24 audit plan.

The Task #4 of the agreement requires execution of the approved annual audit plans and preparation of a task order for each project listed in the plan. The OCA will seek approval of contract task orders iteratively during FY24 in order to remain agile and accommodate changes to the plan as time passes.

## Conformance with Local Ordinances and Standards

Section 2.08.130 of the Palo Alto Municipal Code defines that the mission of the OCA is to promote honest, efficient, effective, economical, and fully accountable and transparent city government. Audits are to be conducted and nonaudit services provided in accordance with Government Auditing Standards, as established by the Comptroller General of the United States, Governmental Accountability Office.

The following duties of the City Auditor exist regarding the plan and scope of internal audits.

### Palo Alto City Charter

Article IV Sec. 12 requires the City Auditor to perform the following:

- Conduct audits in accordance with a schedule approved by the City Council and may conduct unscheduled audits from time to time.
- Conducts internal audits of all the fiscal transactions of the City.

### Title 2 Administrative Code

Section 2.08.130 requires the City Auditor to perform the following:

- Prepare an annual audit plan for city council approval.
- Identify the preliminary objectives of each audit to be performed, reflecting the purpose of the engagement and a preliminary description of the areas that may be addressed.
- Conduct performance audits and perform nonaudit services of any city department, program, service, or activity as approved by the city council.

### California Government Code

Section 1236 requires all cities that conduct audit activities to conduct their work under the general and specified standards prescribed by the Institute of Internal Auditors (IIA) or the Government Auditing Standards (GAO) issued by the Comptroller General of the United States, as appropriate.

## Audit Activity Type

The OCA will conduct performance audits and perform financial/operational analyses of any City department, program, service, or activity as approved by the City Council in accordance with the Baker Tilly agreement.

### Performance Audits

According to the Government Auditing Standards ([GAO-18-568G](#), Section 1.21 and 1.22, page 10-12), performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability. Performance audits may include the following four (4) audit objectives:

- Program effectiveness and results
- Internal control design and effectiveness
- Compliance with laws, regulations, and policies
- Prospective analysis

## Audit Planning Considerations

While maintaining its independence and objectivity in accordance with standards, the City Auditor considers a variety of matters when developing the Annual Audit Plan, including but not limited to:

- Risk assessment – the OCA performed a risk assessment and summarized the results in a separate report (Task #2). Generally speaking, audit activities target high(er) risk areas. The results are shown the following page.
- Ability to add value – audit seeks to add value through independent and objective analysis.
- City Council – the City Auditor reports to the City Council and seeks input on audit priorities.
- Coverage and Prior Audits – the City Auditor considers prior audits conducted by the OCA, the financial audit, and other audit and consulting reports recently issued.
- “Ripeness” and On-Going Initiatives – certain risk areas may be addressed through operational activities, which could mean they are not be ripe for audit to add value.
- Scheduling – the City Auditor takes into consideration the timing of an audit and other on-going initiatives that directly relate. Putting an undue burden on City staff may exacerbate the risk at hand or other interrelated risks.

# Risk Assessment Results

The OCA performed a citywide risk assessment to plan for FY2024 audit activities and documented the methodology and the detailed results in a separate Risk Assessment Report. In summary, we identified the following areas rated as High or Moderate risks. In determining the audit activities to be performed in FY2024, we further reviewed these risks and functional areas and considered the matters listed in the previous page.

Department	Function	Risk Area	Total Risk Score
Planning and Development Services	Building	Building Permit & Inspection Process	22.8
Public Works	Wastewater Treatment	Wasterwater Treatment Capital Program	22.4
Planning and Development Services	Development Services	Building Permit & Inspection Process	20.5
Public Works	Structures and Grounds	ADA Compliance / Flood protection capital project	20.0
Administrative Services	Purchasing	Purchasing Card Program / Vendor Master File	18.6
Police	Field Services	Psychiatric Emergency Response Team (PERT) Program	18.2
Utilities	Electric Administration	Power Purchase Agreement	18.2
Community Services	Administration and Human Services	Human Services Resource Allocation Process (HSRAP)	18.0
Community Services	Arts and Sciences	Junior Museum and Zoo (JMZ) Operation	18.0
Community Services	Recreation and Cubberley	Contract Management	18.0
Police	Technical Services	911 Operations	17.2
Community Services	Animal Shelter	Contract Management	16.9
Fire	Emergency Response	Emergency Preparedness (Foothills Fire Master Plan)	15.8
City Manager	Administration and City Management	Citywide Risk Management	15.6
Fire	Administration	Safety and Wellness	15.6
Planning and Development Services	Planning and Transportation	Code Enforcement	15.4
Office of Transportation	Programs	Intersection safety improvements	15.4
Utilities	Electric Engineering (Operating)	Utility Asset Management	15.3
Public Works	Airport	Airport Operations	15.1
Human Resources	Administration, Employee Org Development and HR Systems	HR Strategy / Succession Planning	15.1
Police	Police Personnel Selection	Recruitment and retention	14.9
Administrative Services	Treasury / Revenue Collection / Warehouse	Investment Management	14.9
Administrative Services	Real Estate	Property Management	14.7
Public Works	Engineering Services	Animal Shelter Renovation	14.3
Community Services	Open Space, Parks and Golf	Emergency Preparedness (Foothills Fire Master Plan)	14.1
Information Technology	Operations	PCI/DSS Compliance	14.1
Administrative Services	Accounting	Grant Management	14.0
Office of Emergency Services	Emergency Services	Emergency preparedness (Foothills Fire Mitigation Program)	13.9
Utilities	Electric Customer Service	Utility Billing	13.9
Information Technology	Project Services	AMI Implementation	13.8
Library	Administration	Business Operations (Donations and grants; Inventory Management; Fines, Purchasing, etc.)	13.8
Human Resources	Risk Mgmt., Safety, Workers' Compensation	HR Risk Management / Workplace Safety	13.8
Police	Law Enforcement Services	Evidence	13.8
Utilities	Water Customer Service	Utility Billing	13.6
City Manager	Economic Development	Economic Development	13.4
Human Resources	Recruitment	Recruitment Process	13.3
Utilities	Electric Resource Management	Rate setting and adjustments	13.2
Public Works	Administration	Safety and Wellness	13.0
Utilities	Gas Customer Service	Utility Billing	13.0
Utilities	Fiber Optics Customer Service	Utility Billing	13.0

# Proposed Audit Projects for FY2024

## Summary

The proposed audits and follow-up project for FY2024 are listed in the next page. The projects were selected from the auditable units that were rated as High or Moderate in the results of our risk assessment and selected based on some factors such as risk rating, the pervasiveness of the process or control, the audit coverage, the timing of projects, and the value-adding activities that help the City enhance the ability to manage risks, strengthen accountability, and improve efficiency and effectiveness.

The preliminary audit objectives are described for each audit listed. These objectives and scope will be further defined based on the result of the engagement level risk assessment performed at the beginning of each audit. Amendments to this audit plans may need to be proposed during FY2024 in response to changes in the City's environment such as organizational structure, operations, risks, systems, and controls.

For each audit, a task order is submitted to the City Council for approval before an audit is commenced. We prepared three task orders which are included in Appendix. The OCA is seeking approval from the City Council for three project that are projected to start in January 2024. Those audits are marked "X" in the Seeking Approval column.

## Proposed Audit Plan for FY2024

Seeking Approval	Function	Project Title	Audit Objectives	Timeline	FY24 Estimated Hours	FY24 Cost	
	Public Works	Public Safety Building - Construction Audit (Task Order 4.8)	? Monthly invoice review ? Change order testing ? Contingency and allowance testing ? Lien waiver control ? Compliance with insurance requirements ? Closeout testing ? Verify the City's implementation and adherence to documented project controls	March 2021 - March 2024	87	\$19,734	
X	Administrative Services	Purchasing Card Program	? Determine whether procurement cards are used appropriately in compliance with the City's policy and pertinent laws and regulations ? Evaluate the administration of the Purchasing Card Program for adequate internal controls to safeguard the City from fraud, waste, and abuse	January - June 2024	415	\$76,540	
X	Public Works	ADA Compliance	Determine whether improvements have been made to make facilities, programs, and services accessible in accordance with the Transition Plan and Self-Evaluation Final Study to ensure compliance with the Americans with Disabilities Act (ADA) of 1990	January - June 2024	385	\$73,110	
	Human Resources	Recruitment and Succession Planning	? Determine the efficiency and effectiveness of the recruitment and hiring process ? Determine whether a formal succession plan and related policies procedures are in place	January - June 2024	290	\$58,890	
	Citywide	Grant Management	Determine whether the City has adequate internal controls to efficiently and effectively manage the grant lifecycle	January - June 2024	315	\$60,330	
	Multiple departments	Emergency Preparedness	Determine whether the City is working to prevent wildfire and adequately prepared to respond to wildfire	January - June 2024	385	\$73,110	
	Utilities	Utility Billing	? Determine whether the internal controls over the utility billing process are adequate and working effectively to ensure billing is accurate and in compliance with the City's policy and regulations. ? Determine whether billing adjustments are properly supported and approved	January - June 2024	385	\$72,010	
	Information Technology	Payment Card Industry Data Security Standard (PCI DSS)	Determine whether the internal controls over the payment card processing are adequate and working effectively for the City and any third party service provider	January - June 2024	370	\$69,680	
X	Citywide	Follow-up on Corrective Actions	Follow up on previous OCA audit reports to ensure corrective actions included in management responses in each audit report are completed [This activity will be performed under Task 5 (an annual report on the status of recommendations made in completed audits)]	December 2023 - June 2024	140	\$30,592	
	TBD	Ad Hoc Requests	TBD	TBD	TBD	\$0	
					FY24	2,772	\$533,996
					FY23 - FY24 Budget		\$534,250
					FY24 Ad Hoc / Contingency		\$254





# Appendices



**PROFESSIONAL SERVICES TASK ORDER**  
**TASK ORDER FY24-4.21 Purchasing Card Program**

Consultant shall perform the Services detailed below in accordance with all the terms and conditions of the Agreement referenced in Item 1A below. All exhibits referenced FY24 in Item 8 below are incorporated into this Task Order by this reference. The Consultant shall furnish the necessary facilities, professional, technical and supporting personnel required by this Task Order as described below.

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CONTRACT NO. C21179340  
OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE): C21179340
- 1B. TASK ORDER NO.: FY23-4.22
- 2. CONSULTANT NAME: Baker Tilly US, LLP
- 3. PERIOD OF PERFORMANCE: START: January 1, 2024 COMPLETION: June 30, 2024
- 4. TOTAL TASK ORDER PRICE: \$69,940  
BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT TBD
- 5. BUDGET CODE \_\_\_\_\_  
COST CENTER \_\_\_\_\_  
COST ELEMENT \_\_\_\_\_  
WBS/CIP \_\_\_\_\_  
PHASE \_\_\_\_\_
- 6. CITY PROJECT MANAGER’S NAME & DEPARTMENT:  
Greg Tanaka, Chair of the City Council’s Policy and Services Committee
- 7. DESCRIPTION OF SCOPE OF SERVICES (Attachment A)  
MUST INCLUDE:
  - SERVICES AND DELIVERABLES TO BE PROVIDED
  - SCHEDULE OF PERFORMANCE
  - MAXIMUM COMPENSATION AMOUNT AND RATE SCHEDULE (as applicable)
  - REIMBURSABLE EXPENSES, if any (with “not to exceed” amount)
- 8. ATTACHMENTS: A: Task Order Scope of Services B (if any): N/A

I hereby authorize the performance of the work described in this Task Order.

I hereby acknowledge receipt and acceptance of this Task Order and warrant that I have authority to sign on behalf of Consultant.

APPROVED:  
CITY OF PALO ALTO

APPROVED:  
COMPANY NAME: \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

Attachment A  
DESCRIPTION OF SCOPE OF SERVICES

## Introduction

Attachment A, the Description of Scope of Services, contains the following four (4) elements:

- Services and Deliverables To Be Provided
- Schedule of Performance
- Maximum Compensation Amount and Rate Schedule (*As Applicable*)
- Reimbursable Expenses, if any (With “Not To Exceed” Amount)

## Services & Deliverables

Baker Tilly’s approach to conducting an internal audit of Purchasing Card Program involves three (3) primary steps:

- Step 1: Audit Planning
- Step 2: Control Review and Testing
- Step 3: Reporting

### Step 1 – Audit Planning

This step consists of the tasks performed to adequately plan the work necessary to address the overall audit objective and to solidify mutual understanding of the audit scope, objectives, audit process, and timing between stakeholders and auditors. Tasks include:

- Gather information to understand the environment under review
  - Understand the organizational structure and objectives
  - Review the City code, regulations, and other standards and expectations
  - Review prior audit results, as applicable
  - Review additional documentation and conduct interviews as necessary
- Assess the audit risk
- Write an audit planning memo and audit program
  - Refine audit objectives and scope
  - Identify the audit procedures to be performed and the evidence to be obtained and examined
- Announce the initiation of the audit and conduct kick-off meeting with key stakeholders
  - Discuss audit objectives, scope, audit process, timing, resources, and expectations
  - Discuss documentation and interview requests for the audit

## Step 2 – Control Review and Testing

This step involves executing the procedures in the audit program to gather information, interview individuals, and analyze the data and information to obtain sufficient evidence to address the audit objectives. The preliminary audit objective is to determine whether (1) Determine whether procurement cards are used appropriately in compliance with the City's policy and pertinent laws and regulations; (2) Evaluate the administration of the Purchasing Card Program for adequate internal controls to safeguard the City from fraud, waste, and abuse. Procedures include, but not limited to:

- Interview the appropriate individuals to gain an understanding of the organizational structure, processes, and controls related to the Purchasing Card Program.
- Review policies and procedures as well as the legislative and regulatory requirements to identify the criteria to be used for evaluation of control design and effectiveness.
- Select a sample of the P-Card transactions
- Compare the process and controls against the best practices.

## Step 3 – Reporting

In Step 3, the project team will perform tasks necessary to finalize audit working papers, prepare and review a draft report with the stakeholders, and submit a final audit report. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals and discuss the root cause of the identified findings
- Complete supervisory review of working papers and a draft audit report
- Distribute a draft audit report and conduct a closing meeting with key stakeholders
  - Discuss the audit results, findings, conclusions, and recommendations
  - Discuss management responses
- Obtain written management responses and finalize a report
- Review report with members of City Council and/or the appropriate Council Committee

## Deliverables:

The following deliverable will be prepared as part of this engagement:

- Audit Report

## Schedule of Performance

Anticipated Start Date: January 1, 2024

Anticipated End Date: June 30, 2024

## Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$69,940. The not-to-exceed budget is based on an estimate of 375 total project hours, of which 15 are estimated to be completed by the City Auditor.

## Reimbursable Expenses

We plan to complete all work remote including all interviews and documentation review. However, during the planning and fieldwork phases of this audit, the City and Baker Tilly may mutually determine it will be beneficial to perform a portion of the work on-site. Given this possibility, Baker Tilly could incur reimbursable expenses for this Task.

The not-to-exceed maximum for reimbursable expenses for this Task is \$6,500.

The following summarizes anticipated reimbursable expenses:

- Round-trip Airfare – \$2,000 (1 round trip flights x 2 auditors)
- Ground Transportation (car rental or Uber/taxi) - \$800
- Hotel accommodation - \$3,000 (2 rooms x 4 nights)
- Food and incidentals – \$700

**PROFESSIONAL SERVICES TASK ORDER**

**TASK ORDER FY24-4.22 ADA Compliance Review**

Consultant shall perform the Services detailed below in accordance with all the terms and conditions of the Agreement referenced in Item 1A below. All exhibits referenced FY24 in Item 8 below are incorporated into this Task Order by this reference. The Consultant shall furnish the necessary facilities, professional, technical and supporting personnel required by this Task Order as described below.

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CONTRACT NO. C21179340  
OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE): C21179340
- 1B. TASK ORDER NO.: FY23-4.23
- 2. CONSULTANT NAME: Baker Tilly US, LLP
- 3. PERIOD OF PERFORMANCE: START: January 1, 2024 COMPLETION: June 30, 2024
- 4. TOTAL TASK ORDER PRICE: \$73,110  
BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT TBD
- 5. BUDGET CODE \_\_\_\_\_  
COST CENTER \_\_\_\_\_  
COST ELEMENT \_\_\_\_\_  
WBS/CIP \_\_\_\_\_  
PHASE \_\_\_\_\_
- 6. CITY PROJECT MANAGER’S NAME & DEPARTMENT:  
Greg Tanaka, Chair of the City Council’s Policy and Services Committee
- 7. DESCRIPTION OF SCOPE OF SERVICES (Attachment A)  
MUST INCLUDE:
  - SERVICES AND DELIVERABLES TO BE PROVIDED
  - SCHEDULE OF PERFORMANCE
  - MAXIMUM COMPENSATION AMOUNT AND RATE SCHEDULE (as applicable)
  - REIMBURSABLE EXPENSES, if any (with “not to exceed” amount)
- 8. ATTACHMENTS: A: Task Order Scope of Services B (if any): N/A

I hereby authorize the performance of the work described in this Task Order.

I hereby acknowledge receipt and acceptance of this Task Order and warrant that I have authority to sign on behalf of Consultant.

APPROVED:  
CITY OF PALO ALTO

APPROVED:  
COMPANY NAME: \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_



## Attachment A DESCRIPTION OF SCOPE OF SERVICES

### Introduction

Attachment A, the Description of Scope of Services, contains the following four (4) elements:

- Services and Deliverables To Be Provided
- Schedule of Performance
- Maximum Compensation Amount and Rate Schedule (*As Applicable*)
- Reimbursable Expenses, if any (With “Not To Exceed” Amount)

### Services & Deliverables

Baker Tilly’s approach to conducting an internal audit of ADA (Americans Disabilities Act) Compliance involves three (3) primary steps:

- Step 1: Audit Planning
- Step 2: Control Review and Testing
- Step 3: Reporting

#### Step 1 – Audit Planning

This step consists of the tasks performed to adequately plan the work necessary to address the overall audit objective and to solidify mutual understanding of the audit scope, objectives, audit process, and timing between stakeholders and auditors. Tasks include:

- Gather information to understand the environment under review
  - Understand the organizational structure and objectives
  - Review the City code, regulations, and other standards and expectations
  - Review prior audit results, as applicable
  - Review additional documentation and conduct interviews as necessary
- Assess the audit risk
- Write an audit planning memo and audit program
  - Refine audit objectives and scope
  - Identify the audit procedures to be performed and the evidence to be obtained and examined
- Announce the initiation of the audit and conduct kick-off meeting with key stakeholders
  - Discuss audit objectives, scope, audit process, timing, resources, and expectations
  - Discuss documentation and interview requests for the audit

## Step 2 – Control Review and Testing

This step involves executing the procedures in the audit program to gather information, interview individuals, and analyze the data and information to obtain sufficient evidence to address the audit objectives. The preliminary audit objective is to determine whether improvements have been made to make facilities, programs, and services accessible in accordance with the Transition Plan and Self-Evaluation Final Study to ensure compliance with the Americans with Disabilities Act (ADA) of 1990. Specifically, we will determine whether (1) necessary remediation work, projects, or programs are included in the annual capital budget to meet the ADA Transition Plan Schedules; (2) the progress of the remediation efforts and any change in laws and regulations are assessed periodically to ensure continued improvements in ADA compliance; (3) the City monitors the contractor's compliance with the contractual requirements to ensure that the City receives necessary services. Procedures include, but not limited to:

- Interview the appropriate individuals to gain an understanding of the organizational structure, processes, and controls related to the ADA compliance efforts.
- Review policies and procedures as well as the legislative and regulatory requirements to identify the criteria to be used for evaluation of control design and effectiveness.
- Review the relevant documents such as ADA Transition Plan, ADA Self-Evaluation Report, the Transition Plan Schedule, progress assessment reports, and the contract with the consultants.
- Compare the process and controls against the best practices.

## Step 3 – Reporting

In Step 3, the project team will perform tasks necessary to finalize audit working papers, prepare and review a draft report with the stakeholders, and submit a final audit report. Tasks include:

- Develop findings, conclusions, and recommendations based on the supporting evidence gathered
- Validate findings with the appropriate individuals and discuss the root cause of the identified findings
- Complete supervisory review of working papers and a draft audit report
- Distribute a draft audit report and conduct a closing meeting with key stakeholders
  - Discuss the audit results, findings, conclusions, and recommendations
  - Discuss management responses
- Obtain written management responses and finalize a report
- Review report with members of City Council and/or the appropriate Council Committee

## Deliverables:

The following deliverable will be prepared as part of this engagement:

- Audit Report

## Schedule of Performance

Anticipated Start Date: January 1, 2024

Anticipated End Date: June 30, 2024

## Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$73,110. The not-to-exceed budget is based on an estimate of 385 total project hours, of which 15 are estimated to be completed by the City Auditor.

## Reimbursable Expenses

We plan to complete all work remote including all interviews and documentation review. However, during the planning and fieldwork phases of this audit, the City and Baker Tilly may mutually determine it will be beneficial to perform a portion of the work on-site. Given this possibility, Baker Tilly could incur reimbursable expenses for this Task.

The not-to-exceed maximum for reimbursable expenses for this Task is \$6,500.

The following summarizes anticipated reimbursable expenses:

- Round-trip Airfare – \$2,000 (1 round trip flights x 2 auditors)
- Ground Transportation (car rental or Uber/taxi) - \$800
- Hotel accommodation - \$3,000 (2 rooms x 4 nights)
- Food and incidentals – \$700

**PROFESSIONAL SERVICES TASK ORDER**

**TASK ORDER FY24-05 Various Reporting & City Hotline (Modified)**

Consultant shall perform the Services detailed below in accordance with all the terms and conditions of the Agreement referenced in Item 1A below. All exhibits referenced in Item 8 below are incorporated into this Task Order by this reference. The Consultant shall furnish the necessary facilities, professional, technical and supporting personnel required by this Task Order as described below.

---

CONTRACT NO. C21179340

OR PURCHASE ORDER REQUISITION NO. (AS APPLICABLE)

1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE): C21179340

1B. TASK ORDER NO.: FY24-05

2. CONSULTANT NAME: Baker Tilly US, LLP

3. PERIOD OF PERFORMANCE: START: July 1, 2023 COMPLETION: June 30, 2024

4 TOTAL TASK ORDER PRICE: \$120,592 ~~90,000~~

BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT TBD

5. BUDGET CODE \_\_\_\_\_

COST CENTER \_\_\_\_\_

COST ELEMENT \_\_\_\_\_

WBS/CIP \_\_\_\_\_

PHASE \_\_\_\_\_

6. CITY PROJECT MANAGER’S NAME & DEPARTMENT:

Greg Tanaka, Chair of the City Council’s Policy and Services Committee

7. DESCRIPTION OF SCOPE OF SERVICES (Attachment A)

MUST INCLUDE:

- SERVICES AND DELIVERABLES TO BE PROVIDED
- SCHEDULE OF PERFORMANCE
- MAXIMUM COMPENSATION AMOUNT AND RATE SCHEDULE (as applicable)
- REIMBURSABLE EXPENSES, if any (with “not to exceed” amount)

8. ATTACHMENTS: A: Task Order Scope of Services B (if any): N/A

I hereby authorize the performance of the work described in this Task Order.

I hereby acknowledge receipt and acceptance of this Task Order and warrant that I have authority to sign on behalf of Consultant.

APPROVED:  
CITY OF PALO ALTO

APPROVED:  
COMPANY NAME: \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

Attachment A  
DESCRIPTION OF SCOPE OF SERVICES

## Introduction

Attachment A, the Description of Scope of Services, contains the following four (4) elements:

- Services and Deliverables To Be Provided
- Schedule of Performance
- Maximum Compensation Amount and Rate Schedule (*As Applicable*)
- Reimbursable Expenses, if any (With “Not To Exceed” Amount)

## Services & Deliverables

Baker Tilly will provide the following services in Task 5:

- Quarterly Reports
- Annual Status Report
- Provision of the City Hotline
- Office Administrative Functions, including quarterly follow-up activities and testing of corrective actions for the completed audits

### Deliverables:

Legislative documents will be prepared to present the financial statements and reports prepared by an external auditor to the Finance Committee

- Quarterly Reports (4 in FY24)
- Annual Status Report

## Schedule of Performance

Anticipated Start Date: July 1, 2023

Anticipated End Date: June 30, 2024

## Maximum Compensation Amount and Rate Schedule

The not-to-exceed maximum, inclusive of reimbursable expenses (as summarized below) for this Task is \$120,592 ~~90,000~~. The not-to-exceed budget is based on an estimate of 440 ~~300~~ total project hours, of which 170 are estimated to be completed by the City Auditor.

## Reimbursable Expenses

Baker Tilly anticipates several site visits by the City Auditor throughout FY2024 ~~planning one on-site fieldwork week~~. Given this possibility, Baker Tilly could incur reimbursable expenses for this Task.



The not-to-exceed maximum for reimbursable expenses for this Task is \$19,500 ~~19,000~~.

The following summarizes anticipated reimbursable expenses:

- Round-trip Airfare – \$6,000 (6 round trip flights)
- Ground Transportation (car rental or Uber/taxi) - \$2,400
- Hotel accommodation - \$9,000 (24 nights)
- Food and incidentals – \$2,100 ~~1,600~~