

CLEVELAND PUBLIC LIBRARY

Finance Committee

December 18, 2012

**RESOLUTION TO ENGAGE BALESTRA, HARR & SCHERE, CPAs, INC. TO
PERFORM THE REGULARLY SCHEDULED AUDITS OF THE CLEVELAND
PUBLIC LIBRARY FOR THE FISCAL PERIODS FROM JANUARY 1, 2012
THROUGH DECEMBER 31, 2015**

- WHEREAS, The Fiscal Officer of the Cleveland Public Library provides the Board of Trustees with monthly financial statements and full financial statements at the close of each fiscal year, as required by Ohio Revised Code §3375.36; and
- WHEREAS, The Cleveland Public Library submits basic financial statements for each fiscal year to the state as required by Ohio Revised Code §117.38; and
- WHEREAS, The Auditor of State (AOS) has determined that he will not conduct the audit of the Cleveland Public Library for the period January 1, 2012 through December 31, 2015. Therefore, as provided by Ohio Revised Code §117.11, an Independent Public Accountant's (IPA) assistance in this auditing service is required; and
- WHEREAS, The Cleveland Public Library was placed on a bid list located on the Auditor of State's website that was posted from September 17, 2012 through October 2, 2012 for IPA firms to request to be included in the list of prospective bidders. All firms must meet requirements and be registered with the Auditor of State to perform governmental audits; and
- WHEREAS, A Request for Proposal (RFP) was developed, a pre-proposal meeting was held and bids were due October 30, 2012. The Auditor of State evaluated and scored the technical and cost proposals and selected the top scoring four (4) firms and gave the Cleveland Public Library the opportunity to award "Client Preference Points" to the technical and cost scores awarded by the AOS. The IPA selection is determined by the AOS based on the total scores; and

WHEREAS, On November 30, 2012, the AOS informed Balestra, Harr & Scherer, CPAs, Inc. that the contract to audit the Cleveland Public Library for the fiscal period(s) January 1, 2012 through December 31, 2015, in accordance with the items and conditions set forth in the Request for Proposals dated October 16, 2012, has been awarded to them. The AOS selection is final and all contracts will be prepared by the AOS, to be executed by the IPA firm, the Cleveland Public Library and the AOS; and

WHEREAS, The total all-inclusive maximum fee for the audit of the financial statements of the Cleveland Public Library for the period January 1, 2012 through December 31, 2015 is \$88,000.00, or \$22,000 per fiscal year. In addition, the Auditor of State's costs for preparing the RFP, reviewing the proposals, monitoring the work of the IPA and reviewing the audit reports are estimated to be \$10,000, or \$2,500 per fiscal year. The audit service fees are to be charged to the General fund account 11100053-53720; now therefore be it

RESOLVED, That the Executive Director, CEO, or his designee, is authorized to sign the Memorandum of Agreement and the Fiscal Officer is authorized to sign the Certification of Compliance and return them to the AOS for final approval of the contract, subject to review and approval of the Chief Legal Officer. Once the paperwork is signed by the AOS, a fully executed document will be sent to the IPA firm and the Cleveland Public Library. No audit work may be performed or payments lawfully made regarding this contract until such approval is obtained.



Dave Yost • Auditor of State

MEMORANDUM OF AGREEMENT

This agreement is entered into as of the 30th day of November, 2012, by and between Balestra, Harr & Scherer, CPAs, Inc. an independent public accountant (IPA), **DAVE YOST**, Auditor of State of Ohio (Auditor) and Cleveland Public Library, Cuyahoga County (Public Office) WITNESSETH:

Whereas, the Public Office on October 16, 2012, issued a Request for Proposals for the audit of Cleveland Public Library, including any components and other requirements stated in the Request for Proposal, pursuant to Sections 117.11 and 115.56, Revised Code, for fiscal periods January 1, 2012 - December 31, 2015.

Whereas, IPA responded to the Request for Proposals with a formal proposal wherein they indicated their willingness to perform the audit of Public Office in accordance with the items and conditions set forth in the Request for Proposals; and

Whereas, the Public Office, with the approval of the Auditor, has determined the IPA has submitted the proposal most advantageous to the Auditor and Public Office;

NOW, THEREFORE, IPA and Public Office do mutually agree as follows:

1. This Memorandum of Agreement, the Request for Proposals, the Proposal of the IPA and any written documents supplementing, amending, or incorporating the Request for Proposal, the Proposal of the IPA, and the Memorandum of Agreement constitute the integrated written agreement of the parties, to be known as the "Contract";
2. The IPA shall, in consideration of the payments specified in the Proposal, and subject to the requirements of the Contract, perform the specified audit of Public Office;
3. Public Office will provide the IPA with such payments, services, and support as are specified in the Request for Proposals; and
4. The Auditor will provide the IPA with such services and support as are specified in the Request for Proposals; and
5. If applicable, pursuant to the agreement of the parties a subcontractor with respect to the Contract will be as stated below. Further, pursuant to the RFP Terms of Engagement and this Contract, the IPA shall be and remain solely responsible to the Public Office and Auditor for the acts the IPA performs or faults of any subcontractor and of any subcontractor's officers, agents or employees, who are deemed to be agents or employees of the IPA to the extent of the subcontract. Each subcontractor shall jointly and severally agree that neither the Public Office nor the Auditor is obligated to pay or to be liable for the payment of any sums due the subcontractor.

NOT APPLICABLE

Subcontractor Name

Address

Number of Hours

Rate Per Hour

Total Subcontract

\$0.00

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

Legislative Authority or Designee for
Cleveland Public Library

Date

Michael Balestra

Digitally signed by Michael Balestra
DN: cn=Michael Balestra, o=Balestra, Harr Scherer,
CPAs, Inc., ou=Shareholder,
email=balestra@bhscpas.com, c=US
Date: 2012.12.01 16:08:43 -05'00'

December 3, 2012

Balestra, Harr & Scherer, CPAs, Inc.

Date

APPROVAL:

Compliance, Auditor of State
Office of **DAVE YOST, Auditor of State of Ohio**
In Accordance with Sections 117.11 & 115.56 Revised Code
(Not valid unless approved by Legal Division)

Date



Dave Yost • Auditor of State

Certification of Compliance with Procurement Requirements

This is to certify that, to the best of my knowledge and belief as the appropriate official of the **Cleveland Public Library, Cuyahoga County**, we have complied with all applicable federal, state and local procurement requirements in the selection of the firm **Balestra, Harr & Scherer, CPAs, Inc.**, to perform the audit of the **Cleveland Public Library, Cuyahoga County**, which is the subject of the accompanying contract.

Cleveland Public Library, Cuyahoga County
Carrie Krenicky, Chief Financial Officer

Date