

**A Resolution To Approve A Contract With Weyrich, Cronin & Sora, Chartered, To Perform The Standard Audit  
R-25-2014**

**City Council of the City of Glenarden, Maryland  
2013-2014 Legislation**

**Resolution: R-25-2014**  
**Introduced By: Council President Carolyn Smallwood**  
**Co-Sponsors: At the request of the Administration**  
**Session: Special Session**  
**Date of Introduction: December 16, 2013**

**A Resolution To Approve A Contract With Weyrich, Cronin & Sora, Chartered, To Perform The Standard Audit**

**WHEREAS**, the City wishes to hire an independent contractor to provide auditing services and to perform the standard audit and, if necessary, a single audit; and

**WHEREAS**, a Request for Proposals was issued for auditing services and Weyrich, Cronin & Sora, Chartered, was the lowest responsive and responsible bidder; and

**WHEREAS**, City staff has negotiated a contract with Weyrich, Cronin & Sora, Chartered, a copy of which is attached as Exhibit A; and

**WHEREAS**, the total fee for auditing services under the contract is not to exceed \$18,500.00 for the fiscal year ended June 30, 2013; \$19,250.00 for the fiscal year ending June 30, 2014; and \$20,000.00 for the fiscal year ending June 30, 2015. In the event that a single audit review is required, the total fee shall be increased by \$4,500.00 for the fiscal year ended June 30, 2013; \$4,750.00 for the fiscal year ending June 30, 2014; and \$5,000.00 for the fiscal year ending June 30, 2015; and

**WHEREAS**, the Council has determined that it is in the public interest that the Engagement Agreement with Weyrich, Cronin & Sora, Chartered, in substantially the form as attached, be approved and that the Mayor be authorized to sign same on behalf of the City.

**NOW, THEREFORE, BE IT RESOLVED, by the City Council of Glenarden, Maryland sitting in Special Session this 16th day of December, 2013 as follows:**

1. That the Engagement Agreement, in substantially the form attached as Exhibit A, be and it is hereby approved at a not to exceed cost of \$18,500.00 for the fiscal year ended June 30,

**A Resolution To Approve A Contract With Weyrich, Cronin & Sora, Chartered, To Perform The Standard Audit R-25-2014**

41 Page 2

42

43 2013; \$19,250.00 for the fiscal year ending June 30, 2014; and \$20,000.00 for the fiscal  
44 year ending June 30, 2015. In the event that a single audit review is required, the total fee  
45 shall be increased by \$4,500.00 for the fiscal year ended June 30, 2013; \$4,750.00 for the  
46 fiscal year ending June 30, 2014; and \$5,000.00 for the fiscal year ending June 30, 2015;

47

48 2. That the Mayor be and he is authorized to sign the Engagement Agreement in  
49 substantially the form as attached.

50 3. Contract services shall be paid from the annual audit line item (Finance 7130) of the  
51 budget.

52 4. This Resolution shall take effect immediately upon passage.

53

54 Date Approved: December 16, 2013

55

56 ATTEST:

57

58

59 

60 Toni Taylor, Council Clerk

61

62

63

64

65

66

67

68

69

70

71

72

73

74

75

76

77

78

79

80

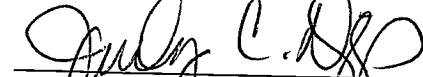
**City Council of Glenarden**



Carolyn Smallwood, President, Ward I



Elaine A. Carter, Vice-President Ward II



Judy Diggs, Councilwoman, At Large



Deborah A. Eason, Councilwoman, Ward II



James Herring, Councilman, Ward I



Jennifer A. Jenkins, Councilwoman, Ward III



Maxine Phifer, Councilwoman, At Large

**A Resolution To Approve A Contract With Weyrich, Cronin & Sora, Chartered, To  
Perform The Standard Audit  
R-25-2014**

81 Page 3  
82  
83  
84  
85 Yes 7  
86 No 0  
87 Abstain 0

**ENGAGEMENT AGREEMENT FOR AUDITING SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by the City of Glenarden, Maryland (“City”), a municipal corporation of the State of Maryland, and Weyrich, Cronin & Sora, Chartered (“Auditors”), with offices located at 1301 York Road, Suite 800, Lutherville MD 21093.

In consideration of the mutual covenants and obligations contained herein, the sufficiency of which is hereby acknowledged, the City and the Auditors hereby agree as follows:

1. Services Provided: The Auditors shall provide the following services for the City (“the Services”):

A. Conduct the annual audit for the fiscal year ending June 30, 2013, and for fiscal years ending June 30, 2014 and June 30, 2015, in accordance with generally accepted auditing standards, as prescribed by the American Institute of Certified Public Accountants, the standards set forth for financial audits in the General Accounting Office’s (GAO) *Government Auditing Standards* (1994), the provisions of the federal Single Audit Act of 1984 (as amended in 1996), U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations* and *Audit Guidelines* of the State of Maryland, plus any amendments or revisions thereto. The audit will include such tests of the accounting records and any other procedures that are considered necessary in the circumstances and shall be provided to the Mayor and Council of the City .

B. Reports to be issued by the Auditors to the Mayor and Council of the City :

1. The Auditors shall express an opinion as to whether the financial statements are fairly presented in accordance with generally accepted accounting

principles. If an unqualified opinion cannot be expressed, the nature of the qualification must be stated.

2. If grant funds received by the City are sufficient to require compliance with the Single Audit Act, the Auditors shall prepare for the Mayor and Council of the City :

a. A report on the internal control structure based on the Auditors' understanding of the control structure and assessment of control risk.

b. A report on compliance with applicable laws and regulations.

c. An "in-relation-to" report on the schedule of federal financial assistance.

d. A report on the internal control structure used in administering federal financial assistance programs.

e. A report on compliance with laws and regulations related to major and nonmajor federal financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal financial assistance programs, a report on compliance with general requirements applicable to major federal financial assistance programs, and a report on compliance with laws and regulations applicable to non-major federal financial assistance program transactions tested.

f. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. In the required report(s) on internal controls, the auditor shall communicate any significant deficiencies or material weakness found during the audit. A significant deficiency shall be defined as a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. Conditions discovered by the auditors that are deficiencies, but do not constitute a significant deficiency or material weakness, shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls.

g. The reports on compliance shall include all instances of non-compliance.

3. In the event that the City is not subject to the compliance requirements of the Single Audit Act for a particular fiscal year, the Auditors shall issue a management letter and/or report on internal control to the Mayor and Council of the City .

4. The Auditors shall be required to make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts, of which they become aware to the following parties:

- a. Mayor and Council, City of Glenarden
- b. City Manager
- c. Treasurer

5. The Auditors shall assure themselves that the Treasurer and City Manager are informed of each of the following:

- a. The Auditors' responsibility under general accepted auditing standards
- b. Significant accounting policies
- c. Management judgments and accounting estimates
- d. Significant audit adjustments
- e. Other information in documents containing audited financial statements
- f. Disagreements with management
- g. Management consultation with other accountants
- h. Major issues discussed with management prior to retention
- i. Difficulties encountered in performing the audit

6. The Auditors shall prepare the State of Maryland Uniform Financial Report ("UFR"), with assistance from City staff, for filing with the State Department of Legislative Services.

C. Working paper retention and access to working papers:

1. All working papers and reports must be retained, at the Auditors' expense, for a minimum of four (4) years, unless the firm is notified in writing by the City

of the need to extend the retention period. The Auditors will be required to make working papers available, upon request, to the following parties or their designees:

- a. City of Glenarden, Maryland
- b. U. S. General Accounting Office ("GAO")
- c. Parties designated by the federal, state or county governments or by the City as part of an audit quality review process
- d. Auditors of entities of which the City is a sub-recipient of grant funds

2. In addition, the Auditors shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance, in accordance with professional standards.

D. The Auditors shall render a report (management letter) to the City Council which will include any recommendations for improving the accounting operations of the City and a report on internal controls.

2. Contract Documents: The Services are additionally subject to the contract documents listed below which are attached hereto as Appendix "A" and incorporated herein by reference:

- |     |   |          |
|-----|---|----------|
| (1) | Request for Proposal                                | <u>X</u> |
| (2) | General Conditions                                  | <u>X</u> |
| (3) | Specifications                                      | <u>X</u> |
| (4) | Auditors' Technical Proposal, dated August 28, 2013 | <u>X</u> |
| (5) | Auditors' Cost Proposal, dated August 28, 2013      | <u>X</u> |

It is understood by the parties hereto that time is of the essence in the completion of this contract. The annual audit for each fiscal year covered by this Agreement shall be completed with all required reports issued by November 1 for all three years, except for the first year based

on time of contracting. Auditor hereby agrees to furnish any and all equipment needed to perform the Services.

3. Additional Services: Auditors will be available for consultations throughout the fiscal years 2013 through 2015, at its "Quoted Hourly Rate" as per Auditors' "Cost Proposal" on an as-needed basis to assist the City . The hourly rate schedule for such Services is included in the Auditor's Cost Proposal, attached as part of Appendix A, and shall not be increased during the term of this Agreement or the extension thereof. Such consultations may only be initiated by the Mayor, Council or Treasurer in writing and the requesting individual shall request an approximation of the expected cost of each such consultation in advance.

4. Term: The Agreement shall be in effect through December 31, 2015.

5. Fees: The City hereby agrees to pay the Auditors a total fee for all Services called for under this Agreement not to exceed \$18,500.00 for the fiscal year ended June 30, 2013, \$19,250.00 for the fiscal year ending June 30, 2014, and \$20,000.00 for the fiscal year ending June 30, 2015. In the event that a single audit review is required, the total fee shall be increased by \$4,500.00 for the fiscal year ended June 30, 2013; \$4,750.00 for the fiscal year ending June 30, 2014; and \$5,000.00 for the fiscal year ending June 30, 2015. Invoices for fees will be rendered no more frequently than monthly as work progresses.

6. Binding Effect of Agreement: This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

7. Other Payments, Taxes, Expenses: Except as may be specifically agreed upon by the parties in writing, the Auditors shall be entitled to no fee, bonuses, contingent payments, or any other amount in connection with the Services to be rendered hereunder. The parties hereto further agree that the City shall have no obligation to reimburse, pay directly or otherwise



satisfy any expenses of the Auditors in connection with the performance of its obligations under this Agreement, including, but not limited to, the cost of any insurance or license fees. The Auditors covenant to maintain all applicable professional liability and workers compensation insurance in such amounts and form as are determined from time to time to be appropriate. The Auditors further agree to provide evidence of such insurance to the City , and have the City named as an additional insured on said policies.

It is expressly understood and acknowledged by the parties hereto that the fees payable hereunder shall be paid in gross amount, without reduction for any Federal or State withholding or other payroll taxes, or any other governmental taxes or charges. The parties hereto further recognize that the Auditors are independent contractors of the City and are therefore responsible for directly assuming and remitting any applicable Federal or State withholding taxes, estimated tax payments, or any other fees, taxes or expenses whatsoever. In the event that the Auditors are deemed not to be an independent contractor by any local, state or federal agency, the Auditors agrees to indemnify and hold harmless the City for any and all fees, costs and expenses, including but not limited to, attorneys' fees, incurred hereby.

8. Insurance:

A. Workers' Compensation. Auditors shall comply with the requirements and benefits established by the State of Maryland for the provision of workers compensation insurance. By submission of a Proposal, Auditors hereby certify that they are in compliance with applicable requirements.

B. Liability. During the entire term of this Agreement, Auditors shall maintain the following insurance coverage: comprehensive general liability insurance and professional errors

and omissions insurance with limits of not less than those set forth below. By submission of a Proposal, Auditors hereby certify that they are in compliance with applicable requirements.

1. Comprehensive General Liability Insurance

(a) Personal injury liability insurance with a limit of \$1,000,000 each occurrence/aggregate; and

(b) Property damage liability insurance with limits of \$500,000 each occurrence/aggregate

All insurance shall include completed operations and contractual liability coverage.

2. Professional Liability (Errors and Omissions) Insurance. Auditors shall maintain a policy with limits of not less than \$1,000,000 each occurrence/aggregate.

3. Automobile Liability Coverage. Automobile fleet insurance \$1,000,000 for each occurrence/ aggregate; property damage - \$500,000 for each occurrence/aggregate.)

Provision of any insurance required herein does not relieve the Auditors of any of the responsibilities or obligations assumed by the Auditors in this Agreement, or for which Auditors may be liable by law or otherwise.

C. The Auditor shall name the City as an additional insured on said policies of insurance, and shall provide Certificates of Insurance before starting work on the contract. By submission of a Proposal, Auditors agree to provide the City with at least thirty (30) days prior written notice of the cancellation of, intention not to renew, or material change in, the coverage.

9. Relief: In the event of a breach or a threatened breach by the Auditors of any provision of the Agreement, the Auditors recognizes the substantial and immediate harm that a breach or threatened breach will impose upon the City , and further recognizes that, in such event, monetary damages will be insufficient to protect the City . Accordingly, in the event of a breach or threatened breach of this Agreement, the Auditors consents to the City 's entitlement to such ex parte, preliminary, interlocutory, temporary or permanent injunctive relief for such breach as may be necessary to prevent the Auditors from further breaching any of his obligations set forth herein. Nothing herein shall be construed as prohibiting the City from pursuing any other remedies available to the City at law or in equity for such breach or threatened breach, including the recovery of damages from the Auditors.

10. Compliance with Laws: The Auditors shall, without any additional expense to the City , be responsible for complying with any and all applicable laws, codes and regulations in connection with the Services provided by the Auditors including, but not limited to, obtaining any licenses required by the Auditors to perform the Services herein contracted for.

11. Indemnification: The Auditors hereby acknowledge and agree that the Auditors shall be responsible for and indemnify, defend and hold the City harmless against any claim for loss, personal injury and/or damage that may be suffered as a result of the Auditors' negligence or willful misconduct in the Auditors' performance of the Services herein contracted for or for any failure by the Auditors to perform the obligations of this Agreement, including, but not limited to, any cost incurred by the City in defending any such claim. The Auditors shall be responsible for and shall indemnify and hold the City harmless against any claim for loss, howsoever arising or incurred, for damage that may occur to Auditors' property that is stored at the City and/or maintained/used by the Auditors in the delivery of the Services the Auditors are providing.

12. Ownership of Records: In the event of termination of this Agreement for any reason, Auditors agrees to immediately return to the City all records and information or other written materials and the like which the City may have furnished to it in connection with those activities hereunder or which the Auditors may have obtained in the performance of this Agreement so that none of the foregoing items or copies thereof shall remain in the Auditors' possession. In addition, any other property of the City shall similarly be returned to the City at the time of said termination, it being understood by the parties to this Agreement that all records and materials supplied to the Auditors by the City or obtained by the Auditors in the performance of this Agreement are to remain at all times the sole property of the City .

13. Confidentiality: The Auditors will not at any time during or after its relationship with the City directly or indirectly disclose to others any confidential information of the City . While engaged as the independent contractor of the City , the Auditors may only use any confidential information for a purpose which is necessary to the carrying out of the Auditors' duties as independent contractors of the City and the Auditors may not make use of any such information after they are no longer independent contractors of the City .

14. Not Assignable: The Auditors shall not assign or transfer any interest or claim under this Agreement except as may be agreed upon and authorized in writing by the City and no contract shall be made by the Auditors with any other party for furnishing any of the Services herein contracted for without the prior written approval of the City .

15. Auditors' Records: Daily records of Auditors' direct personnel, consultant and expenses pertaining to the project shall be kept on a generally recognized accounting basis and shall be available to City or its authorized representative upon request for five (5) years from the date of final payment to the Auditors.

16. City 's Right to Terminate: The Services or the additional services herein contracted for may be terminated immediately in whole or in part, by the City upon written notice, when the City , in its sole and absolute discretion, determines such action to be in its best interest. Upon such termination, the City shall be liable to the Auditors only for payment for Services actually provided in conformance with the contract prior to the effective date of the termination.

17. Entire Understanding: This Agreement contains the entire understanding between the parties, and any additions or modifications hereto may only be made in writing, executed by both parties.

18. Applicable Law: This Agreement shall be interpreted in accordance with the laws of the State of Maryland.

19. Conflict of Interest: The person executing this Agreement on behalf of the Auditors certifies that he understands the provisions of the Glenarden City Charter and Code, dealing with conflicts of interest and the prohibition of the solicitation or acceptance of gifts.

20. Set-Off: In the event that the Auditors shall owe an obligation of any type whatsoever to the City at any time during the term hereof, or after the termination of the relationship created hereunder, the City shall have the right to offset any amount so owed the Auditors against any compensation due to Auditors for the provision of the Services.

21. Severability: If any term or provision of this Agreement shall be held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby, and each term and provision of this Agreement shall be enforced to the fullest extent permitted by law.

22. Notice: All notices shall be sufficient if delivered in person or sent by certified mail to the parties at the following addresses:

For the City:

Office of the Mayor  
City of Glenarden  
8600 Glenarden Parkway  
Glenarden, MD 20706

For the Auditors:

Karen L. Dojan  
Weyrich, Cronin & Sora, Chartered  
1301 York Road, Suite 800  
Lutherville MD 21093  
[KarenD@WCSCPA.com](mailto:KarenD@WCSCPA.com)  
410.339.6464

IN WITNESS WHEREOF, on the date hereinabove set forth, the parties hereto have executed this Agreement in two duplicate originals, any one of which shall be adequate proof of this Agreement without locating or accounting for the other.

Witness:

CITY OF GLENARDEN, MARYLAND

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Dennis Smith  
Mayor

Witness:

Weyrich, Cronin & Sora, Chartered

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

Name: Kelly Miller

Title: Principal

Address: 1301 York Road, Suite 800  
Lutherville MD 21093

Federal ID No. 52-1162023

Approved as to Form and Legal Sufficiency:

\_\_\_\_\_  
Suellen M. Ferguson  
City Attorney