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Michael Spencer
Public Member Alternate
George Williamson
Executive Officer
James M. Underwood
General Counsel

Agenda Item: 8.b

MEETING DATE: December 7, 2023
FROM: George Williamson, Executive Officer
SUBJECT: FY 2022-23 Audit Award – 1 Bid

Background:

Shasta LAFCO banks independently from Shasta County with US Bank and therefore conducts regular financial audits to provide transparency. These are conducted in accordance with U.S. generally accepted accounting principles to obtain reasonable assurance that the Commission's financial statements are free of material misstatement and are fairly presented. The last audit conducted for Shasta LAFCO was FY 2016/2017.

Discussion:

A request for proposal (RFP) was distributed out to four CPA firms for financial audit assistance. One firm, O'Connor & Company, based in Novato, CA submitted a bid for \$12,500. After consultation with other LAFCOs, it has been determined that typical audit costs have been between \$7,000 and \$8,500 however, costs are increasing. Shasta LAFCO has budgeted \$8,500 for a FY 2022-23 audit and the only bid received exceeded this amount by approximately 50%.

Coincidentally, there has been a group of LAFCOs, including Marin, Mendocino, Sonoma, Napa and Fresno that are interested in releasing a joint audit RFP. In Southern California, several LAFCOs released a joint RFP and felt there were cost savings from this approach. As such, Shasta LAFCO would like to team-up with other LAFCOs needing auditing services to re-issue the RFP as a group to see if a lower bid can be received.

Recommendation:

Staff recommends the Commission exercise its right to refuse all bids received as a result of the RFP process and direct the Executive Officer to pursue auditing services in coordination with other LAFCOs.

cc: Jim Underwood, legal counsel

Attachments None