

South Bay Cities Council of Governments

January 12, 2015

TO: SBCCOG Steering Committee

FROM: Jacki Bacharach, Executive Director

RE: Audit Services

Adherence to Strategic Plan:

Goal D: Organizational Stability. Be a high performing organization with a clear path to long-term financial health, staffing continuity and sustained board commitment.

Background

The SBCCOG has a policy to re-evaluate contracts after 3 years. We are now at the end of our 3 year contract with our auditor, Moss, Levy & Hartzheim, LLP but it also includes an option for 2 – 1 year extensions with an increase of approximately 3% per year based upon the local cost of living index.

Staff has polled our cities and the audit firms that they use as well as the changes that they have made. Some cities change around and some don't. There is certainly not a pattern of changing every 3 years. The list of city audit firms and their length of service is available on request and will be at the meeting.

Also, it should be noted that 3 years ago, when our contract was expiring with our auditor at that time, they doubled their cost. We went out to bid and received no bids the first time around and had to do a second solicitation.

We have been satisfied with the services that we have received from our current auditor.

RECOMMENDATION

Staff would like the Steering Committee's direction on the following options:

- 1) Exercise 1 year of 2 year option to remain with current auditor for 2015 audit.
- 2) Exercise 2 year option to remain with current auditor for 2015 and 2016 audits
- 3) Issue RFP for auditing services for 2015, 2016, 2017 with two year option (2018, 2019).