



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 11/19/2019

To: Sonoma County Board of Supervisors

Department or Agency Name(s): Auditor-Controller-Treasurer-Tax Collector

Staff Name and Phone Number: Levi Ehrlich 707-565-3289

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Contract for Sonoma County Audit Services

Recommended Action:

Authorize the Auditor-Controller-Treasurer-Tax Collector to execute a five-year contract for audit services with Eide Bailly LLP for a total amount of \$828,289 and amendments up to 10% of the contract amount for additional work resulting from any future changes in audit requirements.

Executive Summary:

Background:

California Government Code requires the Board of Supervisors to provide for regular audits of County accounts and records, maintenance of financial transaction records in compliance with GAAP, and preparation and publishing of annual financial reports. In addition, Single Audit requirements for Federal Awards mandate County submission of audited financial statements.

The current audit services contract with Eide Bailly LLP (formerly Vavrinek, Trine, Day & Co., LLP) ends March 31, 2020 with the completion of the FY 2018-19 Single Audit report.

In April 2019, the Auditor-Controller-Treasurer-Tax Collector (ACTTC) began the Request for Proposal (RFP) process to select an accounting firm to conduct annual financial and compliance audits of the County's Comprehensive Annual Financial Report (CAFR), Single Audit Report and Other Postemployment Benefit (OPEB) Schedule of Employer Allocations for a period of five (5) years with options for two (2) one-year extensions. The new audit services contract will be effective April 1, 2020.

Selection Process:

The Audit Services RFP was posted on the County's Supplier Portal on May 2, 2019. Event Invitations were emailed to prospective suppliers. The County responded to supplier questions in mid-June and posted responses in the County's Supplier Portal.

Two firms, CliftonLarsonAllen LLP and Vavrinek, Trine, Day & Co., LLP (VTD), submitted proposals and sealed cost bids on July 12, 2019. On July 22, 2019, subsequent to proposal submissions, VTD joined the regional certified public accounting firm of Eide Bailly LLP.

An audit services selection committee (Committee) including representatives from ACTTC and the County Administrator's Office evaluated and rated the proposals. The rater's scores were combined and averaged to determine the firm with the highest score.

The RFP selection process included four categories with 22 selection criteria:

1. Mandatory elements - License to practice in California, no conflict of interest, peer quality reviews.
2. Qualifications and Experience - Firm management and staff qualifications, understanding of the work to be done, prior and similar engagements.
3. Audit Approach - Type and extent of analytical and sampling procedures, internal control testing approach, level of staff and number of hours.
4. Price - Preference was for lower-priced bids.

The Committee determined VTD would best serve the County of Sonoma's audit needs over the next five years.

Contract amounts for each fiscal year are as follows:

Fiscal Year	Amount
2019-2020	\$162,700
2020-2021	\$162,700
2021-2022	\$162,700
2022-2023	\$167,581
2023-2024	<u>\$172,608</u>
Total	<u>\$828,289</u>

Unforeseen circumstances may arise during the term of this audit services contract, such as required implementation of new and complex accounting and reporting standards, which cannot be predicted at the time of contract signing. The ACTTC requests authorization to execute contract amendments for up to 10% of the contract amount for additional work that may arise during the contract term due to changes in accounting and reporting requirements.

Discussion:

Prior Board Actions:

1/29/2013 Board approved a contract with VTD for five (5) years with options for two (2) one-year extensions.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses	193,785	162,700	162,700
Additional Appropriation Requested			
Total Expenditures	193,785	162,700	162,700
Funding Sources			

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General Fund/WA GF	193,785	162,700	162,700
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	193,785	162,700	162,700

Narrative Explanation of Fiscal Impacts:

Audit service expenditures are budgeted annually in the Auditor-Controller-Treasurer-Tax Collector's operating budget. In accordance with the current audit services contract schedule, the amount budgeted for FY 19-20 is \$193,785.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

Attachment A: Agreement for Sonoma County Auditing Services

Related Items "On File" with the Clerk of the Board: