



Staff Report

TO: Finance and Audit Committee
FROM: Jeff Mohlenkamp, Finance Director
DATE: May 11, 2020
SUBJECT: Independent Auditor Selection

Background and Analysis:

The City Council has assigned the Finance and Audit Committee the responsibility to prepare a request for proposal (RFP) and to recommend an auditor for the City's financial statements.

For the past three years, the City has contracted with the Pun Group, LLP to perform both the independent audit of the City financial statements and to complete the review of internal controls and a single audit report. While the contract provides the option for two 1-year extensions, best practice for governmental entities is to secure competitive bids.

The Finance and Audit Committee assigned two members Baron Ginnetti (Chair) and Steve Cooley (Member) to work with staff on the preparation of an RFP and evaluation of responses. The other two members of the RFP committee were Jeff Mohlenkamp, Finance Director and Lisa Leach, Senior Accountant. The City issued an RFP on March 6, 2020. The RFP is included as Attachment A. Three CPA firms responded to the RFP as follows:

- Rogers, Anderson, Malody and Scott, LLP (RAMS)
- Eadie and Payne, LLP (Eadie and Payne)
- The PUN Group, LLP

After review and scoring of the RFP submissions, RAMS and Eadie and Payne were selected to move forward to an interview. Interviews were conducted on May 7, 2020. After deliberation, the RFP committee is recommending RAMS be selected as the next independent auditor for the City.

Contributing factors to the recommendation that RAMS be selected include the following:

- RAMS has direct expertise with many cities that are similar in size to Beaumont
- RAMS has strong local connections with headquarters in San Bernardino and many clients in the Inland Empire and surrounding areas.

- RAMS has a clear focus on governmental auditing and consulting with this constituting over 80% of their business activity
- RAMS was able to demonstrate a strong background in community financing districts, development impact fees and other areas very important to our City.
- RAMS provided the lowest bid price

While the other proposals were also solid and the firms very capable, the review Committee recommends RAMS as the selection for our next auditor.

Fiscal Impact:

There is no fiscal impact associated with this item.

Recommended Action:

It is recommended that the Finance and Audit Committee recommend that the City Council select RAMS as the next independent auditor for the City of Beaumont beginning with the audit of FY 2020.

Attachments:

- A. RFP for City Audit Services issued on March 6, 2020.