



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 08/09/2021

ITEM NO: 11

DATE: August 2, 2021
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Review the Draft Request for Proposals (RFP) for Professional Auditing Services

RECOMMENDATION:

Review the Draft Request for Proposals (RFP) for Professional Auditing Services

BACKGROUND:

With the passage of Measure A, the Finance Commission has been tasked with several duties associated with the independent auditing function as described in the provisions of the adopted Ordinance. Section 2.50.225. – Duties states that:

(a) The Finance Commission shall:

(9) Provide written comments and recommendations regarding the selection of auditors for the CAFR.

(10) Participate in pre-audit meetings with auditors provided that the Finance Commission shall not participate in those portions of any meetings which pertain to confidential employment or attorney client privileged matters.

It should be noted, that while staff acknowledges the language used in Measure A, on July 11, 2021 GFOA requested that all industry affiliates stop using the four-letter acronym commonly associated with the Comprehensive Annual Financial Report. Going forward staff will be using Annual Financial Report in all its publications.

In March 2017, the Town released a Request for Proposals (RFP) for auditing services. Prior to the release of the RFP, the Town's annual audits were completed by Chavan and Associates, LLP

PREPARED BY: Stephen Conway
Finance Director

Reviewed by: Town Manager, Town Attorney, and Assistant Town Manager

BACKGROUND (continued):

for five years. Based upon the proposals, interviews and reference checks, Town staff selected the firm of Badawi and Associates at the conclusion of the RFP process.

DISCUSSION:

The current contract was for a three-year term with one or two-year option period renewal options. The two-year option period will expire June 30, 2022. Staff is initiating a new RFP process for auditing services beginning in September of 2021. Attachment 1 contains the draft Request for Proposal for Independent Audit Services.

The proposed anticipated timeline of the RFP process is provided in the table below:

Timeline	
Distribution of RFP	09/15/21
Deadline for Questions	09/22/21
Proposals Due to the Town	10/8/21
Oral Presentations/Interviews	Week of 10/25/21
Council Consideration of Contract	12/7/21

In order for the Commission to *“Provide written comments and recommendations regarding the selection of auditors for the Annual Financial Report,”* the Commission selected Vice Chair, Kyle Park to be a non-voting observer of the selection process.

RECOMMENDATION:

Staff recommends that the Finance Commission review and provide feedback on the draft RFP. Staff will take Commission feedback under consideration before issuing the RFP in September 2021.

Attachment:

1. Draft Request for Proposals (RFP) Professional Auditing Services