



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 06/14/2021

ITEM NO: 7

DATE: June 3, 2021
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive and Discuss the FY 2021/22 Auditor's Engagement Letters

RECOMMENDATION:

Receive and discuss the FY 2021/22 Auditor's Engagement Letters (see Attachments 1 and 2).

REMARKS:

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 for five years. The RFP was sent to eleven qualified firms known to provide local government auditing services to Bay Area cities. Six firms responded with proposals: Maze and Associates; Vavrinek, Trine and Day; Chavan and Associates; Moss Levy; R.J. Riccardi, Inc; and Badawi and Associates.

Based upon the proposals, interviews and reference checks, Town staff selected the firm of Badawi and Associates at the conclusion of the RFP process. The engagement partner is Mr. Ahmed Badawi, who has twenty years of municipal auditing and accounting experience. He has been an instructor for the California Society of Municipal Finance Officers and a member of the California Certified Public Accountant (CPA) Government Accounting and Auditing Committee, Accounting Principles and Auditing Standards Committee and the Technology Committee. The firm's current audit client list in the RFP response included the Cities of Berkeley, Millbrae, San Mateo, Redwood City, and Menlo Park amongst a list of 24 California jurisdictions that are audited by Badawi and Associates.

The contract was for a three-year term with two one-year option periods. The second option period will expire June 30, 2022. Staff anticipates initiating a new RFP process for auditing services in the fall of 2021.

Reviewed by: Town Manager

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SUBJECT: Receive Preliminary Calculation of ARPA Proceeds for Loss Revenue

DATE: June 3, 2021

Attachments:

1. Badawi and Associates Audit Engagement Letter
2. Badawi and Associates SSARS Engagement Letter