



## Memo

**To:** Commissioners, First 5 Ventura County

**From:** Jennifer Johnson, Director of Operations (on behalf of the Administration and Finance Committee)

**Date:** March 19, 2020

**Re:** **Recommendation to select CPA firm to perform auditing services, beginning with the 2019-20 fiscal year**

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### **Background**

In compliance with the Health and Safety Code, Section 130150, county commissions are required to conduct annual financial audits. County commissions are also subject to expanded compliance audit requirements. The Commission periodically releases Requests for Proposals for auditing services. The last Request for Proposals (RFP) was completed in 2014, at which time Fanning and Karrh, CPAs, were re-selected and performed the audit for a five-year term with a subsequent one-year extension through the audit of FY 2018-19.

In December 2019, an RFP for auditing services was publicly released with distribution to 68 firms through direct mail, a legal notice posted in the newspaper, and the bidding opportunity posted on the Commission's website. The RFP requested a bid covering a five-year period, inclusive of the annual cost for the financial and compliance audit as well as for a Single Audit (required from time to time when the Commission expends \$750,000 or more of Federal funds in a fiscal year).

Four firms submitted proposals within the required timeline. The Commission's procurement procedures for selecting vendors call for 2 staff members and at least 1 external reviewer with expertise in the subject matter. Proposals were independently reviewed and rated by 2 staff members and 2 members of the Administration/Finance Committee. A review committee met in February to discuss the proposals and formulate a funding recommendation for the Administration/Finance Committee and, subsequently, for the Commission.

Of the four proposals submitted, two were determined to be viable for consideration based on score, completeness of the proposal, cost, and experience. Ultimately, the review committee favored the proposal that has substantial First 5 commission auditing experience, in which that experience represented First 5's that are comparable in size and structured as independent commissions. The recommendation from the review committee was approved by the Administration/Finance Commission on March 9, 2020.

### **Recommendation**

The recommended action is to select Brown Armstrong, Certified Public Accountants, as the vendor to perform financial and compliance auditing services in accordance with Health and Safety Code, Section 130150, for an engagement of up to five years, subject to annual renewal, for fiscal years ending June 30, 2020 through June 30, 2024, with costs as follows: \$18,120 per year for the financial and compliance audit; and, \$2,270 per year for the Single Audit, if required to be conducted based on the level of Federal expenditures.