

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF FEBRUARY 25, 2015

REGULAR MEETING

TO: Ken Humphreys, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #4H: APPROVAL OF THE CONTRACT WITH RICHARDSON &
COMPANY, LLP FOR THE PROVISION OF AUDIT SERVICES

RECOMMENDATION

Staff recommends that the Commission approve the contract with Richardson & Company, LLP to provide audit services to El Dorado LAFCO Office and authorize the Chair to sign the final document.

REASON FOR RECOMMENDED ACTION

Staff circulated a Request for Proposals in late Fall 2014 and Richardson & Company, LLP was one of three companies to respond to it. The firm is well qualified to provide LAFCO with audit services. The firm is extremely familiar with LAFCO operations since it has audited other LAFCOs.

BACKGROUND

For the past seven fiscal years, El Dorado LAFCO has contracted with KCOE ISOM (formerly Matson & Isom) to conduct and prepare its General Purpose Financial Statements. The contract ends with the audit for Fiscal Year 2013-14.

Staff circulated a Request for Proposals to prepare this agency's General Purpose Financial Statements for three years, FY2014-2015, 2015-2016 and 2016-2017, with the option of two additional years at LAFCO's discretion. By the end of the RFP period, staff received three qualified bids, including the incumbent auditor KCOE ISOM.

Although all respondents are qualified independent Certified Public Accounting firms, staff recommends contracting with Richardson & Company, LLP for the following reasons:

- Richardson is familiar with general LAFCO operations since it has audited other LAFCOs in the recent past
- It is good business practice for this agency to change auditors periodically
- Richardson & Company, LLP performed the first audit after this agency became fully independent. This prior knowledge will assist LAFCO with knowing how far it has come and whether it has updated its accounting practices
- It had the lowest bid among the respondents

Across the three guaranteed years of the contract, the audit costs would increase at a moderate rate. The same is true for the optional two years. El Dorado LAFCO Counsel has reviewed the contract.

Staff recommends the approval of the contract and for the Commission to authorize the Chairman to sign it. The audit for the current fiscal year will start in the Fall 2015.

Attachment:

Attachment A: Consulting Contract with Richardson & Company, LLP (LAFCO Resolution L-2015-04)