

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCO)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM NO. 9

DATE: July 8, 2015
TO: Fresno Local Agency Formation Commission
FROM: David E. Fey, AICP, Executive Officer 
SUBJECT: Consider Authorization: Authorize Executive Officer to sign contract with Sampson, Sampson & Patterson LLP to perform LAFCo audit

RECOMMENDATION: Approve Authorization

Background

As an independent agency, Fresno LAFCo is not subject to audit requirements as are many other local governmental agencies since LAFCo does not receive funding from the state and/or federal government, however, LAFCo is still accountable for insuring that funds are spent appropriately and are accounted for.

The Commission's Financial and Accounting Procedures stipulate a financial audit to be conducted every two years, when there is a change in Executive Officer, or upon the Commission's direction. The last audit was performed by Sampson, Sampson & Patterson, LLP and covered Fiscal Year 2011/2012 and accepted by the Commission June, 2013.

At that time the commission considered comments by the auditor and ultimately implemented procedures to improve accountability and control of checks received for applications, improved internal controls and security, and with the assistance of the current contract bookkeeper, reduced the accounts receivable and moved to a cash-basis of accounting in accordance with LAFCo's Financial and Accounting Procedures.

Discussion

In April, 2015, staff issued a Request for Proposal for the FY 2013/2014 to 30 Certified Public Accounting firms and received proposals from two firms: Morse Wittwer Sampson, LLP and Sampson, Sampson and Patterson, LLP (copies of the proposals are attached).

Morse Wittwer Sampson, LLP has provided audits for similar audits for non-profit entities with similar funding sources such as Self-Help Enterprises, Marjaree Mason Center, Turning Point of Central California, as well as several special districts. Its proposed budget is \$7,000.

Sampson, Sampson & Patterson, LLP provided the Commission's last audit for FY 2011/2012 and has provided audits for the Cities of Clovis, Dinuba, Hanford, Lemoore,

and Selma and for their Cities' redevelopment/successor agencies. It has also provided audits for the San Joaquin Valley Risk Management Authority and Vector Control Joint Powers Agency. Its estimated their cost for preparing LAFCo's audit is between \$7,500 and \$8,500.

Staff supports awarding the contract to SS&P, LLP due to the high quality of work it performed during the Commission's last audit and its familiarity with LAFCo.

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