Memo

To: Commissioners, First 5 Ventura County

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

Date: February 20, 2025

Re: **Recommendation to select CPA firm to perform auditing services, beginning with the 2024-25 fiscal year**

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 2020, at which time Brown Armstrong Accountancy Corporation was selected. They performed the audit for a five-year term, concluding with the audit of FY 2023-24.

In November 2024, after canvassing 70 potential firms, the RFP for auditing services was distributed electronically to 25 firms that expressed interest. The bidding opportunity was also 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 the established threshold (currently $1 million or more) of Federal funds in a fiscal year.

Five 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 1 member of the Administration and Finance Committee. This subcommittee convened in February to discuss the proposals and formulate a funding recommendation for consideration by the Administration/Finance Committee and, subsequently, by the Commission.

Of the five proposals submitted, two were determined to be viable for consideration based on score, completeness of the proposal, responsiveness to the bid requirements that included conducting interim audit procedures in May/June, relevant experience, and cost. Ultimately, the review committee favored the proposal that has substantial First 5 commission auditing experience, which was submitted by Brown Armstrong Accountancy Corporation. The recommendation from the review committee was approved by the Administration and Finance Commission on February 7, 2025.

Recommendation

The recommended action is to select Brown Armstrong Accountancy Corporation, as the vendor to perform financial and compliance auditing services in accordance with Health and Safety Code, Section 130150, for an engagement period of up to five years beginning with fiscal year 2024-25, with costs as follows: $22,570 per year for the financial and compliance audit; and, $2,800 per year for the Single Audit, if required to be conducted based on the level of Federal expenditures.