



Finance, Audit, Insurance and Real Property Committee

External Audit Services Contract

Item 7-11

April 11, 2023

Professional
Services
Agreement -
External
Audit
Services

Current Action

Approve the award of a four-year contract for external audit services with Macias Gini O'Connell, LLP, for the not-to-exceed amount of \$1,600,090

Professional
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Agreement -
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Professional Service Agreements

- On-Call Agreements
 - Typically utilized for shorter-term assignments, urgent projects, etc.
 - Allows for flexibility, expedited project delivery
- Project Specific Agreements
 - Required for projects over extended duration, or larger project scopes
 - Approved individually by the Board over \$250,000.

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Background – External Audit Services

- Required annual independent audit of Metropolitan’s financial statements, trustee agencies, and single audit of federal grants, if \$750,000 in spend is reached in any given year.
- Current external audit services contract with KPMG LLP expired with the completion of the fiscal year 2021/22 audit.

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Request for Proposal (RFP) 1329

- Issued in October 2022
- Eight firms responded
- Two firms interviewed

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Agreement

- Four years covering fiscal years starting July 1, 2022 and ending June 30, 2026
- Not to exceed amount of \$1,060,090
- Services to be performed:
 - Annual independent audits of:
 - Metropolitan's financial statements
 - Metropolitan Asset Financing Corporation (MWDAFC)
 - Trustee Agency Financials

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Agreement (cont.)

- Review of Metropolitan's Annual Comprehensive Financial Report (ACFR)
- Review accounting procedures used by Metropolitan
- Recommend improvements to Metropolitan's accounting and systems of internal control

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Board Options

- Option #1
Approve the award of a four-year contract for external audit services with Macias Gini O'Connell, LLP, for the not-to-exceed amount of \$1,600,090
- Option #2
Reject the recommendation to award the contract to Macias Gini O'Connell LLP and issue another Request for Proposal

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Staff Recommendation

- Option #1
Approve the award of a four-year contract for external audit services with Macias Gini O'Connell, LLP, for the not-to-exceed amount of \$1,600,090

