

Olivehurst Public Utility District

Agenda Item Staff Report



Meeting Date: February 18, 2021

Item description/summary:

Audit Services FY 2020-21 through 2022-23

The District's audit engagement with Fechter & Company, CPA's ended with the 2019-20 fiscal year. In a normal year, staff would send RFP's to audit firms and select the lowest, qualified bidder for a the next 3 years. 2019-20 was not a normal year, and the year's audit was "virtual" with all testing performed remotely. It is not certain that 2021 will be a normal year and with a traditional on-site audit. Staff recommends to retain Fechter & Company, CPA's for another 3-year engagement. To comply with California Code of Regulations and Government Code section 12410.6.(b) the audit firm will conduct the audit with another audit partner, but keep the same field team. This arrangement provides a continuity of institutional knowledge without the need to "train" a new auditors.

The pricing for the last audit engagement for the years 2017-18 to 2019-20 was \$19,500, \$20,100 and \$ 20,600, respectively, plus approximately \$500 per year for direct expenses (mileage, audit binders). A future audit engagement with an annual increase of 2.5% will amount to \$21,100, \$21,600, and \$ 22,200 for the next three years. These amounts are still below the District's audit costs for 2015 through 2017 with \$24,724, \$25,177 and \$24,812.

Fiscal Analysis:

Audit costs for the next 3 years are less than audit costs before the last engagement and less than proposed audit costs from qualified firms 2018. No staff time is needed to prepare RFPs and analyze qualified proposals, if any.

Sample Motion:

Make motion to select Fechter & Company for 2020-21 to 2022-23 audit term/Make motion to direct staff to prepare RFP for audit services.

Prepared by:

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