



March 16, 2017

Board of Directors
Ventura Regional Sanitation District
Ventura, California

PROPOSED FINANCIAL AUDIT SERVICES CONTRACT

RECOMMENDATION

Approve, and Authorize the Chair to sign, Contract No. 17-005 with Rogers, Anderson, Malody & Scott in an amount not to exceed \$71,500 to provide auditing services to VRSD for fiscal years ending June 30, 2017; June 30, 2018, and June 30, 2019.

FISCAL IMPACT

The cost for the audit services will be included in the respective annual budgets where the expense will be incurred.

BACKGROUND/ANALYSIS

VRSD recently solicited proposals for external auditors to provide audit services for fiscal years 2016-17, 2017-18, and 2018-19. Requests for Proposals (RFPs) were sent to 14 firms known to do auditing work and business with local governments. Four proposals were received. There are no legal or statutory requirements to require the District to periodically change audit firms. However, in order to receive the best auditing review possible, District staff, from time to time, actively seeks the participation of all qualified firms, including the current auditor, if the past performance has been satisfactory. The District staff invited the current Auditor to submit their proposal based on their past satisfactory performance.

A selection committee comprised of the District's Senior Accountant, Accountant, and a Finance Consultant, evaluated each proposal based on the following criteria:

1. Mandatory Elements:
 - a. Independent and licensed to practice in California;
 - b. No conflict of interest with regard to any other work performed by the firm for the District;
 - c. Adheres to the instructions in the RFP on preparing and submitting the proposal;
 - d. Submits a copy of its last external quality control review report, and the firm has a record of quality audit work.

2. Technical Qualifications:

- a. Past experience and performance on comparable district engagements;
- b. Quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation;
- c. Adequacy of proposed staffing plan for various segments of the engagement;
- d. Adequacy of sampling techniques;
- e. Adequacy of analytical procedures;
- f. Answers to Specific Audit Approach, Item 7 in the Technical Proposal.

3. Price:

- a. Cost was not the primary factor in the selection.

While all four responsive firms were qualified to do the work, the District's current Auditor (Rogers, Anderson, Malody & Scott (RAMS)) stood out as having the ability to meet VRSD's needs best.

RAMS has been the District's Auditor for the last ten (10) years. Staff believes that RAMS is well-qualified and has extensive experience in auditing public agencies. In addition, they have institutional knowledge of the District's business, including Saticoy Sanitary District and Ventura County Regional Energy Alliance. RAMS rotates its audit staff and managing partner to provide the District the necessary "fresh look" to ensure objectivity. Finally, RAMS has been responsive to questions posed and other assistance needed by staff (i.e., Board members "Contractor vs Employee", Parity Obligation Certificate for debt issuance, guidance on new GASB implementation, etc.).

The contract will be for three years with the option to extend for two additional years.

The appropriate action would be for the Board of Directors to approve the three-year agreement between VRSD and Rogers, Anderson, Malody & Scott in the amount of \$71,500, all inclusive maximum annual price for fiscal years 2016-17, 2017-18, and 2018-19.

If you have any questions or need additional information, please contact me at (805) 658-4646 or via email at VickieDragan@VRSD.com.


VICKIE DRAGAN – DIRECTOR OF FINANCE

APPROVED FOR MARCH 16, 2017 AGENDA


Chris Theisen – General Manager

Attachments: VRSD Contract No. 17-005
VRSD Request for Proposal No. 17-001