

# South Bay Cities Council of Governments

August 14, 2017

TO: SBCCOG Steering Committee  
FROM: Jacki Bacharach, Executive Director  
RE: Audit Services

## Adherence to Strategic Plan:

*Goal D: Organizational Stability.* Be a high performing organization with a clear path to long-term financial health, staffing continuity and sustained board commitment.

## BACKGROUND

In January 2015, the SBCCOG extended the 3-year contract with our auditor, Moss, Levy & Hartzheim, LLP for another 2 years at the recommendation of the Ad Hoc Finance Committee. Although the SBCCOG policy is to go out to bid every 3 years, it was decided 2 years ago that most cities didn't change firms that often. Additionally, the last time SBCCOG went out to bid we had to do it twice due to the lack of bids the first time.

We have been satisfied with the services that we have received from our current auditor. Additionally, with this being the first year that our Administrative Officer has been in charge of the audit without the assistance of our previous Administrative Officer (Suzanne Charles) who was under contract last year to help, it would be prudent to extend the audit contract for this year at a minimum.

Moss, Levy & Hartzheim, LLC has quoted a price of \$6,500 for this year, which is an 8% increase over the \$6000 that was budgeted last year. They said that this was due to extra hours dealing with a new person. The actual cost for last year ended up \$5,679, which makes the \$6,500 quote effectively a 13% increase.

## RECOMMENDATION

Recommend Board approval of a contract extension with Moss, Levy & Hartzheim, LLC at a cost not to exceed \$6,200. Staff is directed to negotiate this 3.2% cost increase over last year's budget and also determine the cost of two 1 year extensions (2018, 2019) to be brought back to the Steering Committee for their consideration.