

AUDITS COMMITTEE REPORT relative to the City Controller, City Administrative Officer (CAO) and Board of Public Works, Office of Accounting, joint report on the City's "Annual and Single Audit" contract for Fiscal Years 2013-14 through 2015-16.

Recommendation for Council action:

AUTHORIZE the City Controller, with the assistance of the CAO and the Board of Public Works, Office of Accounting, to:

- a. Award the annual audit contract for Fiscal Years 2013-14, 2014-15 and 2015-16 to Macias, Gini and O'Connell, LLP.
- b. Authorize the Mayor and City Council President to execute the attached contract as reviewed by City Attorney as to form, on behalf of the City.
- c. Instruct the Public Works, Office of Accounting to arrange for the Sewer Construction and Maintenance Fund to reimburse the General Fund in the amount of \$58,706 for each year's audit.
- d. Instruct the Department of Transportation to arrange for the Mobile Source Air Pollution Reduction Trust Fund to reimburse the General Fund in the amount of \$13,842.
- e. Request the City Controller to work with the pertinent departments to reimburse the General Fund from various grant funds for their portion of the single audit where funds are available and where provisions of the grants provide for payment of audit costs directly or through the City's Cost Allocation Plan.
- f. Instruct the City Administrative Officer to budget for the audit of each fiscal year in the General City Purpose budget to cover the cost of the audit.

Fiscal Impact Statement: The City Controller, CAO and Board of Public Works, Office of Accounting report that the costs for fiscal years 2013-14, 2014-15 and 2015-16 are \$910,890, \$994,967 and \$910,890 respectively, which include base audit costs of \$810,890, \$894,967 and \$810,890 respectively and an additional \$100,000 per year reserved for contingencies. The funds are subject to budgetary appropriations by Mayor and City Council each year.

Community Impact Statement: None submitted

Summary:

On June 3, 2014, the Audits Committee considered a March 21, 2014 City Controller, CAO and Board of Public Works, Office of Accounting joint report relative to the City's Annual and Single Audit contract for the Annual City Audits and Single Audits for Fiscal Years 2013-14 through 2015-16.

After providing an opportunity for public comment, the Committee moved to recommend approval of the recommendation as detailed in the March 21, 2014 City Controller, CAO and Board of Public Works, Office of Accounting joint report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

AUDITS COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
MARTINEZ:	YES
PARKS:	YES
BLUMENFIELD:	YES

EV  
13-0662\_rpt\_aud\_6-5-2014

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**