

BOARD MEETING DATE: September 1, 2023

AGENDA NO. 36

PROPOSAL : Execute Contract for Independent Audit Services for FYs Ending June 30, 2023, 2024, and 2025

SYNOPSIS: On November 4, 2022, the Board approved release of an RFP for independent financial audit services. Four qualified proposals were submitted and reviewed by the Administrative Committee at its March 10, 2023 meeting. Although the Board initially selected The Pun Group, LLP, it is now necessary to select another firm due to their resignation and to complete the audit ahead of the fast-approaching deadlines. This action is to execute a contract with the second ranked firm, Lance, Soll & Lunghard, LLP .

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Authorize the Chair to execute a contract with Lance, Soll & Lunghard, LLP for performance of the South Coast AQMD's Financial Audits for FYs ending June 30, 2023, 2024, and 2025 in an amount not to exceed \$175,470.

Wayne Nastri
Executive Officer

SJ:gp

Background

A financial audit is performed annually on South Coast AQMD in compliance with the California Government Code and audit requirements for federal awards under the Uniform Guidance.¹ This audit is performed by independent Certified Public Accountants, and their reports are addressed to the Board. The Board approved release of an RFP for independent financial services. At the April 2023 Board meeting the Board authorized the Chair to enter into a three year contract with The Pun Group, LLP for audit services.

¹ Office of Management and Budget – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200, is referred to as the Uniform Guidance.

Although the Board initially selected The Pun Group, LLP it is now necessary to select another firm due to their resignation and to complete the audit. The other three firms in order of ranking are Lance, Soll & Lunghard, LLP , Badawi & Associates, and Simpson and Simpson, LLP. This is particularly necessary in light of fast-approaching audit-related deadlines. Given concerns regarding timing and compliance with applicable laws, it is recommended that one of the remaining qualified candidates be chosen for completion of this work.

Resource Impacts

The maximum audit costs, including out-of-pocket expenses, are \$55,660, \$58,444, and \$61,366 for FYs ending June 30, 2023, 2024, and 2025, respectively. Funding is available in the FY 2023-24 Budget and will be requested in subsequent fiscal years through the annual budget process.