


**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: June 12, 2013

To: Board of Directors
From:  Roger Meagor, Fire Chief
Subject: Selection of Audit Services

RECOMMENDATION:

That the Board authorizes the Executive Officer to enter into a three-year agreement with Maze and Associates to perform audit services for Fiscal Years 2012/13 through 2015/16.

DISCUSSION:

In 2008 Ross Valley Fire entered into a three-year agreement with Odenberg, Ulakko and Muranishi (OUM) to provide independent audit services. In 2010 the Board approved an extension to the audit agreement for two additional fiscal years, which ended with the presentation of the 2011-12 audit report. At the March Board Meeting, the Fire Board authorized staff to send out a Request for Proposals (RFP's) for audit services. Staff mailed out 16 RFPs to various accounting firms. The department received six proposals for consideration.

The six proposals were reviewed by Department staff as well as Dan Hom, who serves as the Department's contract accountant. The review included audit strategy and timeline, experience of the audit staff, peer review results from the American Institute of Certified Public Accountants (AICPA), and proposed audit fees. Staff also contacted references.

As part of the selection process, staff prepared an information sheet which provides a side by side comparison of the audit firms. This sheet was used as part of the evaluation process and is attached to the staff report. Staff will review the information with the Board.

Recommendation: Staff is recommending Maze and Associates, out of Pleasant Hill. The majority of Maze and Associates clients are cities or other municipal entities and they limit their practice in other areas to focus on municipal audits. Their clients include several agencies similar in size and activity as Ross Valley Fire and locally they provide audit services for Ross Valley Paramedic Authority and Central Marin Police Authority.

AGENDA ITEM # 8
Date 6/12/13

Because the majority of their work is with municipal agencies, staff believes they are well qualified to perform the Department's audits. The scope of the work, including estimated hours and fees are consistent with the services which were provided previously by OUM. They have provided an audit schedule which will meet our timeline of a November audit completion. We have checked references and found that existing clients are very satisfied with their performance including meeting timelines.

FISCAL IMPACT:

The proposed agreement with Maze and Associates include the following fees for service: For the FY 12/13 audit, \$12,473; FY 14/15 audit, \$12,722; and the final year FY 14/15 audit, \$12,976. The fees for the FY 12/13 audit are included in the proposed FY 13/14 Ross Valley Fire budget. The three year agreement includes a two percent increase in year two and three. The proposed fees in the first year of the agreement are consistent with the fee charged by OUM for the FY 11/12 audit.

Ross Valley Fire Department
Summary of Proposals for Financial Audit Services
June 2013

Audit Firm	R. J. Ricciardi, Inc. 1000 Fourth St., Ste. 400 San Rafael, CA 94901	Maze & Associates 3478 Buskirk Ave., Ste. 215 Pleasant Hill, CA 94523	Patel & Associates 266 17 th St., Ste. 200 Oakland, CA 94612	Maier Accountancy 1101 Fifth Ave., Ste. 200 San Rafael, CA 94901	Blomberg & Griffin Accountancy 1013 North California St. Stockton CA 95202	Vavrinek, Trine Day & Co. 5000 Hopyard Rd. #335 Pleasanton 94588
Audit Team Years of Experience	Michael Oconnor – 26 years Anu Pagchi, 7 years Tyler Rich, 4 years	Timothy Krisch – 22 years Katherine Yuen – 16 years Chris Thomas – 3 years Donald Hester – 20 years	Ramesh Patel – 30+ years Linian Zhu – 8 years Monica Singhai – 13 years	John Maher – 30 years David Greenblat – 30 years	John Blomber – 30+ years David Farnsworth, 3 years	T. Ki Lam – 17 years A.J. Major – 20+ years Gail Smith – 30 years
AICPA Quality Review Program Participant?	Yes – pass	Yes – pass	Yes – pass	Yes – pass	Yes - deficiencies	Yes – pass
Clients listed:	0	32	3	3	3	To many to count
Public Entities	6	Over 50	15	Yes	Yes	Yes
References Provided	Yes – 5 not current audits	Yes – current audits	Yes – current audits	Yes	Yes	Yes
Professional Fees:						
- Principal/Partner	\$150/hour - \$4,500	\$295/hour - \$2,213	\$250/hour - \$1,500	\$215/hour - \$2,580	Not listed separately	\$250/hour - \$6,500
- Manager	\$70/hour - \$3,500	\$115/hour - \$4,370	\$175/hour - \$2,300	\$160/hour - \$8,000		\$155/hour - \$4,650
- Senior		\$85/hour - \$5,698	\$135/hour - \$9,000	\$140/hour - \$5,320		\$115/hour - \$6,900
- Staff		\$65/hour - \$195		\$50/hour - \$100		\$100/hour - \$7,800
- Clerical						\$85/hour - \$510
- Out of Pocket						
- Discounts						
- Total	\$8,000	\$12,473	\$12,800	\$16,000	\$9,750	(\$5,330) \$22,500
Estimated hours	80	115	120	102	No hours listed	200
Three Year Fees						
FY 12/13	\$ 8,000	\$12,473	\$12,800	\$16,000	\$9,750	\$22,500
FY 13/14	\$ 8,000	\$12,722	\$12,800	\$16,000	\$9,750	\$22,500
FY 14/15	<u>\$ 8,000</u>	<u>\$12,976</u>	<u>\$13,500</u>	<u>\$16,000</u>	<u>\$9,750</u>	<u>\$22,500</u>
Total	\$24,000	\$38,171	\$39,100	\$42,000	\$29,250	\$67,500