



Midpeninsula Regional  
Open Space District

R-22-54  
Meeting 22-12  
April 27, 2022

## AGENDA ITEM 6

### AGENDA ITEM

Approval to extend contract with Chavan & Associates to provide Financial Auditing Services for Fiscal Year (FY) 2021-22 through FY2022-23, for a Not-To-Exceed Total Amount of \$53,015.

### CONTROLLER'S RECOMMENDATION

Appoint Chavan & Associates as the District's financial auditor for FY22 and FY23 and authorize the General Manager to enter into an agreement for a not-to-exceed amount of \$53,015.

### DISCUSSION

The District issued a Request for Proposal (RFP) in April 2019 for financial auditing services for FY19 through FY21. Chavan & Associates was selected as the most qualified firm after an evaluation of the three proposals. The audit fees were \$23,500 per year for a three-year term, for a total of \$70,500 without annual fee increases. Chavan & Associates is proposing \$25,850 for FY22 representing a 10% increase, and \$27,165 for FY23 representing a further 5% increase. Staff recommends the District continue to retain Chavan based on the following:

- Chavan & Associates services have been fully satisfactory over the last eight years. They have provided guidance on evolving accounting issues related to the District's growth, including Measure AA and participation in the GFOA financial reporting award program.
- Chavan has consistently provided timely responses to staff (within 24 hours) for questions and emails.
- Chavan has moved a large portion of the audit testing to an electronic environment providing greater efficiency during the audit process.
- With the impending migration to a new financial system prior to the end of the current fiscal year, staff believe that the continuity with Chavan will be critical, especially given Chavan's in-depth knowledge of the District's financial processes.
- Government Code section 12410.6 (b) provides that, commencing with the 2013-14 fiscal year, a local agency shall not employ an audit firm if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for six consecutive fiscal years. This rotation requirement ensures objectivity and consistent quality of audit engagements. Both Chavan and the District have monitored the rotation of the engagement partner:

FY14 - FY19	Sheldon Chavan
FY20	Jeff Ira
FY21	Paul Pham
FY22	Paul Pham
FY23	Paul Pham

For these reasons, the Controller recommends appointing Chavan & Associates as the District’s external auditor for FY22 and FY23, for a total contract amount not to exceed \$53,015.

**BOARD COMMITTEE REVIEW**

No Committee review required.

**FISCAL IMPACT**

The District’s required financial audit is an ongoing, annual cost. The proposed amount of \$25,850 will be included in the Administration Department’s FY22 Proposed Operating Budget.

**PUBLIC NOTICE**

Notice was provided pursuant to the Brown Act. No additional notice is necessary.

**CEQA COMPLIANCE**

No compliance is required as this action is not a project under CEQA.

**NEXT STEPS**

If approved by the Board, the General Manager will execute an agreement with Chavan & Associates for audit services.

Prepared by:  
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Contact persons:  
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Andrew Taylor, Finance Manager