



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** CONTROLLER

**File #:** 23-362

Board Meeting Date: 5/23/2023

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Juan Raigoza, Controller  
**Subject:** Agreement with Macias Gini & O'Connell, LLP

### **RECOMMENDATION:**

Adopt a resolution authorizing an agreement with Macias Gini & O'Connell, LLP to provide professional financial auditing services to the County for the term of May 23, 2023 through May 22, 2025, in an amount not to exceed \$957,250, with an option to extend the Agreement at the County's election for one additional year through May 22, 2026 for an additional \$500,250 (the "Agreement").

### **BACKGROUND:**

The County Charter (Article VI Section 603) provides that the Board of Supervisors shall have an annual audit made by a certified public accountant and the auditor shall report on the County's financial transactions and records and the effectiveness of internal controls. In compliance with this requirement, the County has previously contracted with outside professional auditing firms to review and report on the County's financial statements.

### **DISCUSSION:**

The County conducted a competitive procurement to identify and retain a qualified auditing firm to perform professional audit services. A Request for Proposals (RFP) for professional audit services was issued in April 2023. The RFP was posted to Public Purchase, an online database of government bid opportunities. The County received three (3) proposals. The Review Committee evaluated the three proposals based on the criteria identified in the RFP and selected Macias Gini & O'Connell, LLP ("MGO") to provide professional audit services in view of their qualifications, experience, and satisfaction of the evaluation criteria. Pursuant to Administrative Memo B-4, a copy of the RFP matrix is included with this memorandum.

Under the proposed agreement (the "Agreement"), MGO shall, as further specified therein, conduct an audit of the County's Annual Comprehensive Financial Report, San Mateo Medical Center Audit Report, San Mateo County Joint Power Finance Authority, All District Attorney's Grant Reports, Single

Audit Report, Local Transportation Fund; performing Agreed Upon Procedures of Investment Policy Report, Report on Appropriation Limit; and issuing Management Letter. MGO shall also be required to issue reports to the Board and the Controller regarding the financial statements and compliance and internal controls issues. The term of the Agreement is from May 23, 2023 through May 22, 2025, for the fiscal years ending June 30, 2023 and June 30, 2024, with an option at the County’s election to extend the Agreement by one year to include the fiscal year ending June 30, 2025.

MGO has agreed to the County’s insurance and contract requirements, including equal benefits, non-discrimination and jury duty.

The Agreement and Resolution have been reviewed and approved by County Attorney’s Office as to form.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY Estimated</b>	<b>FY Projected</b>
Timely submission of financial statements to the State	Yes	Yes
Attain Certificate of Achievement for Excellence in Financial Reporting for the County’s Annual Comprehensive Financial Report (ACFR)	Yes	Yes

**FISCAL IMPACT:**

MGO has agreed to perform the services required under the first two years of the Agreement for an amount not to exceed \$957,250 plus an additional \$500,250 if the County exercises its option for one additional year, to be allocated by fiscal year as follows:

- FY 2023-24: \$471,550
- FY 2024-25: \$485,700
- FY 2025-26: \$500,250

The total amount to be expended under the Agreement if the County exercises its one-year extension option is \$1,457,500. The Agreement is funded by the General Fund.