



# Selection of the City's Independent Accountants

## Finance Department

Finance Committee

March 13, 2024

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## BACKGROUND

- An independent audit of the City's financial statements is required by the Riverside City Charter.
- Per municipal code Section 1113, the City Council shall employ a new qualified auditor at least every five years different from the preceding auditor.
- Recommending a new audit firm for a five-year period from fiscal year 2024 to 2028, subject to annual reappointments.



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## RFP 2290

- August 11, 2023: RFP posted to solicit proposals from qualified firms to audit the City's financial statements.
  - One year (June 30, 2024); option for annual reappointment for four subsequent years
- September 8, 2023: 4 proposals received
  - Proposals evaluated by City Finance and Riverside Public Utilities finance.
  - January 16, 2024: City Finance and Riverside Public Utilities finance interviewed the 3 top-ranked firms.
- CliftonLarsonAllen LLP (CLA) received the highest scores and was chosen as the most qualified.
- February 20, 2024: City Finance staff held cost negotiations with CLA, negotiated a \$71,650 price reduction from the original RFP cost proposal.

### Evaluation Criteria:

- ✓ Qualifications (25%)
- ✓ Pricing (20%)
- ✓ Experience (Projects of similar size and scope) (35%)
- ✓ Professional References (10%)
- ✓ Approach and Methodology (10%)



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## PRICING AND FISCAL IMPACT

- The cost for year one is \$198,360 and sufficient funds are included in the proposed Fiscal Year 2023/24 budget.
- The 5-year total negotiated costs are shown below:

**All-Inclusive Maximum Fee for FYE June 30, 2024**

| Firm | 2024       | 2025       | 2026       | 2027       | 2028       | Total        |
|------|------------|------------|------------|------------|------------|--------------|
| CLA  | \$ 198,360 | \$ 208,260 | \$ 218,680 | \$ 229,620 | \$ 241,100 | \$ 1,096,020 |



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## CLA Qualifications

- Nationwide firm with over 8,500 employees and nearly 130 U.S. locations.
- Local office: Irvine, California.
- More than 4,200 governmental clients nationwide, more than 600 within California.
- CLA has performed external audits of similar full-service cities, such as:
  - City of Glendale (including Electric and Water funds)
  - City of Burbank (including Electric and Water funds)
  - City of Colton (including Electric and Water funds)
  - City of Pico Rivera (including Electric and Water funds)
  - City of Santa Ana (including their Water fund)



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## STRATEGIC PLAN ALIGNMENT



**High Performing Government** – Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.

### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &amp; Resiliency



Equity



Innovation



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## RECOMMENDATIONS

That the Finance Committee recommend that the City Council appoint CLA to serve as the City's independent accountants in accordance with its annual audit requirements for a five-year period, subject to annual reappointment, beginning with the fiscal year ending June 30, 2024.



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