

External Auditing Services

Council Audit Committee

April 20, 2026

External Auditor Duties

- Preparation of the Annual Comprehensive Financial Report (ACFR) in accordance of all applicable laws, requirements, and best practices.
- Perform all Single Audit procedures each fiscal year, including ensuring requirements, issuance, and testing.
- Provide numerous audits including, but not limited to, reviews of major revenue, Required Supplementary Information, Management Discussion & Analysis, etc.
- Perform testing of cash and investments, capital assets, long-term liabilities, pension and Other Post-Employment Benefits, Grants, and Enterprise operations.
- Review journal entries, accounting policies, new GASB Implementations and significant estimates.
- Inform the City's Audit Committee is informed of all audits and any issues, errors, irregularities and illegal acts.

Timeline and Future

- Work will begin shortly after Council Approval, estimated early June 2026.
- Reports will be provided regularly to Council Audit Committee and City Council summarizing audit activities, findings, and status of recommendations.
- Contract will last an initial two (2) years, with the option to renew for up to three (3) one-year options.

Scores

| Proponent's Name | Final Combined Scores | Total Costs |
|--------------------------|------------------------------|-----------------------|
| The Pun Group LLP | 85.97 | \$1,903,027.00 |
| MGO | 77.14 | \$1,947,200.00 |

The Pun Group, LLP

- City of Santa Cruz
- City of Fairfield
- City of Santa Clarita
- Orange County Business Council
- South Bay Cities Council of Governments

MGO

- City of Fremont
- City of Los Angeles
- City of Sacramento
- County of Sacramento

Recommendation

- Staff has solicited through a formal competitive Request for Proposals.
- Proposals received have been deemed responsive and responsible. Costs were not revealed until after staff scored the proposals.
- Staff recommends contracting with The Pun Group, LLP. as they were the highest rated and more affordable than the 2nd highest rated proposal.