



Lou Ann Teixeira
 Executive Officer

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November 8, 2023 (Agenda)

**November 8, 2023
 Agenda Item 10**

Contra Costa Local Agency Formation Commission
 40 Muir Road, 1st Floor
 Martinez, CA 94553

Financial Audits

Dear Members of the Commission:

In September 2023, the Commission received the FY 2021-22 financial audit. Each year, LAFCO conducts a financial audit. In 2011, LAFCO issued a Request for Proposals (RFP) to retain an independent auditing firm. LAFCO sent the RFP to over 30 firms and received two responses. Subsequently, LAFCO hired R.J. Ricciardi, Inc. (RJR) to prepare the LAFCO financial audits and regularly rotate accountants. As of January 1, 2023, Ricciardi retired and Michael O’Connor, who previously worked for RJR, is now working under his own accountancy - *O’Connor & Company (O&C)* effective January 2, 2023. *O&C* currently employs nine staff members, five of which are CPAs. The firm has the ability to rotate accountants and has done so in the past. Five of the staff are CPAs and three staff members have 30+ years of experience. In August 2023, LAFCO entered into a contract with *O’Connor & Company* to prepare LAFCO’s 2022-23 financial audit.

In September 2023, the Commission discussed the LAFCO financial audit and suggested rotating auditing firms and perhaps issuing an RFP. LAFCO staff surveyed other LAFCOs regarding use of auditing firms and issuing RFPs. Two LAFCOs responded and noted that they previously sent RFPs to numerous firms with minimal responses.

LAFCOs are a small, unique government entity. Further, many LAFCOs, including Contra Costa LAFCO, use the County Auditor’s office and County treasury to pay expenses, collect revenue, and hold LAFCO’s funds. Given the uniqueness and complexity of LAFCOs, we anticipate minimal responses to an RFP. Instead, we have compiled a list of accounting firms that are local and/or familiar with government agencies, including LAFCOs (attached). In lieu of issuing an RFP, LAFCO staff recommends selection of an auditing firm from the attached list in late 2024 in anticipation of the FY 2023-24 financial audit.

Recommendation – Receive report and provide direction.

Sincerely,

LOU ANN TEXEIRA
 EXECUTIVE OFFICER

Attached – List of Financial Audit Firms

Accounting & Audits	Website	Email Contact	Location	LAFCO Audits
Badawi Associates	http://www.b-acpa.com		Oakland	Bay Area local agencies
Chavan and Associates	https://www.cnallp.com	sheldon@cnallp.com	Morgan Hill	Santa Clara
Cropper Accountancy	https://www.cropperaccountancy.com	info@cropperaccountancy.com	Walnut Creek	Local/State agency audits
Davis Farr LLP	http://www.davisfarr.com	admin@davisfarr.com	So Cal	Marin, SLO
Fechter & Company	https://www.fechtercpa.com	cfechter@fechtercpa.com	Sacto	El Dorado, Nevada
Macias Gini & O'Connell LLP	https://www.mgocpa.com/		Walnut Creek	
Maze and Associates	https://www.mazeassociates.com	maze@mazeassociates.com	Pleasant Hill	72 municipal clients
O'Connor & Company	https://www.maocpa.com	michael@maocpa.com	Novato	LAFCO
Perotti & Carrade	https://pc-cpas.com/		Marin	
Richardson & Company	https://richardsoncpas.com	isheipline@richardsoncpas.com	Sacto	Yolo
Sampson & Sampson	http://www.sampsoncpa.com	info@sampsoncpa.com	Clovis	Fresno