



Staff Report

TO: City Council
FROM: Jennifer Ustation, CPFO, Finance Director
Lisa Leach, CPA, Assistant Finance Director
DATE March 18, 2025
SUBJECT: Approval of Contract for Financial Auditing Services

Description Approve the 5-year contract with Rogers, Anderson, Malody and Scott (RAMS).

Background and Analysis:

The City Council has assigned the Financial and Audit Committee the responsibility to prepare a request for proposal (RFP) and to recommend an auditor for the City's Annual Comprehensive Financial Statements (ACFR).

For the past five years, the City has contracted with Rogers, Anderson, Malody and Scott (RAMS) to perform both the independent audit of the City's ACFR and to complete the review of internal controls and a single audit report. The best practice for governmental entities is to secure competitive bids for financial auditors every six years. This does not exclude the current auditor from bidding or serving as the next auditor, however, there must be a change in the partner after the 6th year.

The Financial and Audit Committee assigned two members, Jessica Voigt (member) and Ron Rader (member) to work with staff on the preparation of an RFP and evaluation of responses. The other two members of the RFP committee were Jennifer Ustation, Finance Director and Lisa Leach, Assistant Finance Director. The City issued an RFP on December 6, 2024. The RFP is included as **Attachment A**. Three CPA firms responded to the RFP as follows:

- Rogers, Anderson, Malody and Scott, LLP (RAMS)
- Eadie and Payne, LLP (EadiePayne)
- The PUN Group, LLP

Interviews were conducted on February 5, 2025, and Council Member Jessica Voigt recused herself from the interview by Eadie and Payne, out of caution to ensure no appearance of bias, as she knew one of the partners on the proposal. After

deliberation, the RFP committee recommended RAMS as the selection to present to the City Council.

Contributing factors to the recommendation that RAMS be selected include the following:

- RAMS has direct expertise with many cities that are similar in size to Beaumont.
- RAMS has strong local connections with headquarters in San Bernardino and many clients in the Inland Empire and surrounding areas.
- RAMS has a clear focus on governmental auditing and consulting with, constituting over 80% of their business activity.
- RAMS was able to demonstrate a strong background in community financing districts (CFDs), development impact fees (DIF) and other areas significant to our City.
- RAMS partners and staff contribute their time to the Government of Finance Officers as reviewers for the GFOA Award of Excellence in Financial Reporting, demonstrating expertise in governmental reporting.

A contract has been negotiated for audit services beginning with the audit of FY 2025 for five years with an option for one additional one-year extension subject to City Council approval – see **Attachment B**.

Fiscal Impact:

The contract amount (not to exceed) for the five-year period is as follows:

FY 2025	\$64,920
FY 2026	\$64,920
FY 2027	\$67,020
FY 2028	\$69,095
FY 2029	\$71,170

This planned expenditure will be budgeted for the upcoming FY 2025/2026 and is contemplated to be an ongoing expenditure of the City as we are required to have an independent audit of our financial statements.

The estimated cost to prepare this report is \$250.

Recommended Action:

Approve a five-year contract, a total of \$337,125, with Rogers, Anderson, Malody and Scott, LLP to perform audit services and authorize the City Manager to sign the engagement letters for each year of the five-year contract.

Attachments:

- A. RFP for City Audit Services issued on December 6, 2024.
- B. Contract with Rogers, Anderson, Malody and Scott, LLP to perform audit services
- C. Contract Exhibit A – RAMS RFP proposal
- D. Contract Exhibit B – Audit Engagement Letter
- E. Contract Exhibit C – SAS 114 Letter
- F. Contract Exhibit D – Certificates of Insurance