



AGENDA ITEM: 26-42

DATE OF MEETING: October 28, 2026

ACTION: ☒

INFORMATION: ☐

APPROVE A COMPETITIVE PROCUREMENT FOR EXTERNAL AUDITOR

SUMMARY OF REQUEST

Staff recommend authorizing the development and release of a competitive procurement for independent external audit services beginning with the fiscal year ending June 30, 2027. The competitive procurement will be open to qualified independent public accounting firms with demonstrated governmental-audit experience and the capacity to perform the Commission's annual financial and expanded compliance audits in accordance with applicable professional standards, state law, and California State Controller requirements. Staff will return recommended provider selection and contract award to the Commission for approval following completion of the competitive process.

BACKGROUND

Health and Safety Code section 130150 requires each First 5 county commission to conduct an annual audit and issue a written report concerning the implementation and performance of its functions during the preceding fiscal year. Health and Safety Code section 130151 requires expanded annual audits performed in accordance with guidelines issued by the California State Controller. The Commission must also conduct a public hearing before adopting its annual audit and report.

The external auditor performs the Commission's independent financial-statement and compliance audit, evaluates applicable internal controls and statutory compliance, communicates required audit matters to the Commission, and presents the final audit results at a public meeting. The selected firm must remain independent and comply with applicable professional standards, State Controller requirements, licensure requirements, quality-control standards, and auditor-rotation requirements.

The Commission's current external-audit engagement with Eide Bailly LLP upon completion of the FY 2025–26 audit. Staff therefore propose a competitive procurement for audit services beginning with FY 2026–27. Any recommended contract award will return to the Commission for approval before execution.

The proposed procurement schedule is expected to allow sufficient time for selection, Commission approval, audit planning, interim work, year-end fieldwork, and completion of the FY 2026–27 audit within applicable statutory deadlines.

RECOMMENDED ACTION

That the Commission:

1. Authorize the development and release of a Procurement for independent external audit services beginning with the fiscal year ending June 30, 2027, subject to County Counsel and applicable procurement review, with the recommended selection and contract award returned to the Commission for approval.

BUDGET IMPACT

Adequate appropriation has been included in the approved FY 2026/2027 budget (525440-25800-938001-92955).

STRATEGIC PLAN RELEVANCE

Goal Area 4 – Countywide (92955)

POTENTIAL CONFLICTS OF INTEREST

None known.