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Title: CONSIDER APPROVING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF CARSON AND BAKER TILLY US, LLP, TO EVALUATE THE INTERNAL CONTROLS AND EFFICIENCY AND EFFECTIVENESS OF THE CITY OF CARSON.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit No. 1 RFQ 22-003Q_NOTICE OF REQUEST FOR QUALIFICATIONS, 2. Exhibit No. 2 RFQ 22-003Q_NOTICE OF INTENT TO AWARD, 3. Exhibit No. 3 Baker Tilly_Proposal for internal audit services, 4. Exhibit No. 4 Baker Tilly US, LLP Contract Services Agreement, 5. Exhibit No. 5 Res 23-007 Baker Tilly Services

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, February 07, 2023

Consent

SUBJECT:

CONSIDER APPROVING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF CARSON AND BAKER TILLY US, LLP, TO EVALUATE THE INTERNAL CONTROLS AND EFFICIENCY AND EFFECTIVENESS OF THE CITY OF CARSON.

I. SUMMARY

The City Council is being asked to approve a professional services agreement with Baker Tilly US, LLP, to evaluate the internal controls and efficiency and effectiveness of the City of Carson. This includes:

- a) Auditing performance and financial integrity of City departments,
- b) Evaluating internal controls over programs and processes,
- c) Promoting efficient government through a variety of special projects,
- d) Assessing policies and procedures of the audit division related to year-end closing, month end, construction improvement project (CIP) tracking schedules and other

relevant activities,

- e) Developing an internal audit program work plan review,
- f) Identifying needed trainings for staff members,
- g) Developing a workflow management system to properly track performance and position control, and
- h) Reviewing and assessing analytical activities, identifying areas for improvement, and introducing leading practices.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the proposed professional services agreement with Baker Tilly US, LLP, to provide internal control services for an amount not-to-exceed \$209,138.
2. AUTHORIZE the Mayor to execute the contract, following approval as to form by the City Attorney.
3. ADOPT Resolution No. 23-007 "A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2022-23 BUDGET IN THE FINANCE DEPARTMENT"

III. ALTERNATIVES

TAKE another action as deemed appropriate by the City Council.

IV. BACKGROUND

On May 19, 2022, staff initiated a formal RFP process and received two (2) bids for the services from (1) Baker Tilly US, LLP and (2) Macias Gini & O'Connell LLP.

Responses were evaluated according to the criteria stated in the solicitation and on September 7, 2022, the City announced the Intent to Award the contract to Baker Tilly US, LLP via Solicitation Number and Title RFQ 22-003 Internal Control and Position Control Audit.

The City Council is being asked to approve a professional services agreement with Baker Tilly US, LLP, to evaluate the internal controls and efficiency and effectiveness of the City of Carson. This includes:

- i) Auditing performance and financial integrity of City departments,
- j) Evaluating internal controls over programs and processes,
- k) Promoting efficient government through a variety of special projects,

- l) Assessing policies and procedures of the audit division related to year-end closing, month end, construction improvement project (CIP) tracking schedules and other relevant activities,
- m) Developing an internal audit program work plan review,
- n) Identifying needed trainings for staff members,
- o) Developing a workflow management system to properly track performance and position control, and
- p) Reviewing and assessing analytical activities, identifying areas for improvement, and introducing leading practices.

V. FISCAL IMPACT

No impact to the General Fund. If recommendation no. 3 is approved, \$209,138 would be reallocated between certain accounts within the Finance department as identified in Exhibit 5 - Resolution No. 23-007.

VI. EXHIBITS

1. RFQ 22-003Q Notice of Request for Qualifications (pgs.4-43)
2. RFQ 22-003Q Notice of Intent to Award (pg.44)
3. Baker Tilly, US, LLP Proposal for Internal Audit Services (pgs.45-120)
4. Baker Tilly, US, LLP Contract Agreement (pgs.121-157)
5. Resolution No. 23-007 (pgs.158-159)

Prepared by: Hnin Phyu, Acting Accounting Manager/Phat Nguyen, Acting Senior Accountant