



## **Report to City Council**

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**TO:** Mayor and City Council

**FROM:** Dena Heald, Chief Financial Officer/City Treasurer

**AGENDA DATE:** April 15, 2025

**TITLE:** AUTHORIZE AGREEMENT WITH ROGERS ANDERSON MALODY & SCOTT, LLP FOR PROFESSIONAL AUDITING SERVICES (REPORT OF: FINANCIAL AND MANAGEMENT SERVICES)

**TITLE SUMMARY:** Authorize Agreement with Rogers Anderson Malody & Scott, LLP for Professional Auditing Services

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### **Recommendation(s)**

That the City Council:

1. Approve the use (piggyback) of the City of Loma Linda's Agreement with Rogers Anderson Malody & Scott, LLP through March 31, 2030, for purposes of the comparable hourly rates only; all other terms remain per the City's agreement with the company.
2. Approve a five-year agreement for professional auditing services with Rogers Anderson Malody & Scott, LLP, for a cumulative estimated amount of \$435,675.
3. Authorize the issuance of annual purchase orders for Rogers Anderson Malody & Scott, LLP, for each fiscal year of the Agreement term, subject to funds available in the City Council approved Operating Budget; and
4. Authorize the City Manager or designee to execute any amendments, purchase orders, and/or change orders, contingent upon City Council approved budget as previously approved by City Council, with concurrence of the City Attorney.

### **SUMMARY**

This report recommends the use of a piggyback agreement with Rogers Anderson Malody & Scott, LLP under a previously executed agreement with the City of Loma Linda for the comparable hourly rates only and the execution of an agreement between the City of Moreno Valley and Rogers Anderson Malody & Scott, LLP for professional auditing services. It is in the best interests of the City to piggyback on the City of Loma Linda's competitive award due to their comparable use of services, which grants favorable pricing.

## **DISCUSSION**

Rogers Anderson Malody & Scott, LLP has been performing the City's independent audits since 2020. The scope of services has been to audit all City funds and express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted auditing standards. In addition to providing auditing services, Rogers Anderson Malody & Scott, LLP has provided the review of the Annual Comprehensive Financial Report and preparation of the State Controller's Reports, the Child Care report, and the Single Audit report. California Government Code 12410.6 (b) states that the same lead, coordinating, or reviewing partner cannot perform auditing services the previous six years. As such, the auditing team will be rotated with a new managing partner in effect.

In fiscal year 23/24 the City of Loma Linda issued a Request for Proposals for professional audit services. The City of Loma Linda has competitively awarded an agreement to Rogers Anderson Malody & Scott, LLP. The agreement provides favorable pricing based on the City's competitive award. The City wishes to enter into an agreement with Rogers Anderson Malody & Scott, LLP utilizing the City of Loma Linda's agreement for pricing only.

The City of Loma Linda's RFP and award documents have been examined and indicate a competitive award was made to Rogers Anderson Malody & Scott, LLP in 2024. The City of Loma Linda agreed to allow the City to piggyback on their agreement for professional audit services. The approval of this agreement by City Council will allow for the issuing of a purchase order to Rogers Anderson Malody & Scott, LLP per fiscal year for all professional audit services.

## **ALTERNATIVES**

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative.*
2. Do not approve and authorize the recommended actions as presented in this staff report. This would require staff to seek an alternative piggyback agreement or attempt to negotiate an independent agreement without the favorable pricing. This would result in an extended delay and cause a potential disruption in the City's professional auditing services. *Staff does not recommend this alternative.*

## **FISCAL IMPACT**

The following table depicts the estimated fees for service related to each reporting period (fiscal year), for the five-year contract term of the agreement:

Service	Engagement Contract Years				
	2025	2026	2027	2028	2029
City Audit and related reports	\$54,350	\$56,850	\$59,350	\$61,850	\$64,350
GANN Limit AUP report	735	765	795	825	855
CSD audit and special reports	4,380	4,580	4,780	4,980	5,180
Child Care Grant audit and related reports	8,060	8,420	8,780	9,140	9,500
State Controllers report	5,380	5,660	5,940	6,220	6,500
Single Audit and related reports*	6,810	7,150	7,490	7,830	8,170
Total for each fiscal year	<u>\$79,715</u>	<u>\$83,425</u>	<u>\$87,135</u>	<u>\$90,845</u>	<u>\$94,555</u>

\* - For the first major program: each additional major program is estimated at \$5,300 for 2025, \$5,600 for 2026, \$5,900 for 2027, \$6,200 for 2028 and \$6,500 for 2029.

The current budget for FY 24/25 and the proposed budget for future years will include the necessary amount each year. Additionally, the Child Care grant will be allocated the professional auditing services as determined by the grant eligibility.

The proposed agreement will cover services to audit the fiscal year activity ending June 30, 2025 through June 30, 2029.

## **NOTIFICATION**

Publication of the agenda.

## **PREPARATION OF STAFF REPORT**

Prepared By:  
Kimberly Ganimian  
Deputy Finance Director

Department Head Approval:  
Dena Heald  
Chief Financial Officer/City Treasurer

## **CITY COUNCIL GOALS**

None

## **CITY COUNCIL STRATEGIC PRIORITIES**

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure

5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

## Report Approval Details

Document Title:	STAFFREPORT_FMS_AGREEMENTAUTHORIZATION.docx
Attachments:	- Draft Agreement - RAMS.docx
Final Approval Date:	Apr 9, 2025

This report and all of its attachments were approved and signed as outlined below:

### **No Signature found**

Kimberly Ganimian

Natalia Lopez

Dena Heald

Launa Jimenez

Brian Mohan

Patty Rodriguez