



Policy No: NKGSA – ACCT-538
Policy Title: Hiring an Auditor Policy
Board Approval Date: August 24, 2023
Revision/Review Date:

Introduction

The North Kings Groundwater Sustainability Agency (Agency) will request proposals (RFPs) from qualified certified public accounting firms to audit its annual financial statements for a minimum term of five years unless otherwise approved by the Board. The Agency will look for a committed and qualified firm that demonstrates experience with governmental audits as applied to joint public agencies.

Purpose

The purpose of this policy is to describe the process of hiring a qualified auditing firm to prepare the Annual Audited Financial Statements for the Agency including all required notes and Management Discussion and Analysis (MD&A). The auditor will also be tasked to complete the Annual California State Special Districts Report for the Agency along with any supplements required by the state in the format as required by the State of California. Government Code Section 26909, Special districts are required to have annual independent audits conducted by the county auditor or a Certified Public Accountant.

Process

The following is the process for completing and selecting the Agency's auditing firm:

1. The Fiscal Agent will prepare the Request for Proposal (RFP) which will detail the requirements and expectations of the auditing firm.
2. The RFP will be sent out either electronically or by mail to auditing firms that have expressed an interest and auditing firms that have been recommended.
3. The auditing firms will be given enough time to ask questions of the Agency prior to their responding to the RFP. Written questions of the Agency will be accepted either electronically or by mail.
4. The Fiscal Agent will timely respond to all questions received by auditing firms responding to the RFP. Interested parties, who wish to receive answers to the questions, must submit their address or email address by the due date.
5. Interested firms must submit their RFP in writing by the due date provided.
6. Qualified firms submitting proposals will be evaluated and the Executive Officer, Fiscal Agent and Financial Workgroup will select the auditor for the Agency.
7. Staff will present the selected auditing firm at the next regularly scheduled Advisory Committee and Board of Directors meetings.
8. The goal is to receive at least three proposals by the due date.

9. All firms, who submit an RFP will be notified of the Agency's selection.

After the auditor is selected, the Executive Officer and Fiscal Agent have the authority and will execute the necessary documents to proceed with each year's audit during the term of engagement.