

INFORMATION REPORT**PROPOSED ACTION:**

Information Report: External Auditor Contract Status and Request for Proposal Process

Submitted By: Mikyung Pustelnik, Port Controller; Julie Lam, Chief Financial Officer

EXECUTIVE SUMMARY:

The Port of Oakland (Port) engages an independent external auditor to perform annual financial statement and compliance audits. The Port has chosen in the past to engage the same auditor the City of Oakland (City) uses and partners with the City to issue a joint Request for Proposal (RFP). The current auditor contract will expire with the performance of our fiscal year ended June 30, 2024 audits. Port Staff plans to work with the City to issue a joint Request for Proposal.

BACKGROUND & ANALYSIS

The Port of Oakland (Port) is required to engage an independent external auditor to perform annual audits on its financial statements, as well as compliance audits for federal grants, Passenger Facility Charges, Customer Facility Charges and the Deferred Compensation Plan. While the Port's audit is conducted separate from the City of Oakland's (City) audit, the Port's financial statements and footnotes are included in the City of Oakland's (City) Annual Comprehensive Financial Report as a component unit of the City.

Since 2003 the Port and the City have conducted joint competitive RFP solicitations with the purpose of selecting and contracting with the same auditing firm. Utilizing the same auditing firm provides efficiencies and cost savings for both the City and the Port because additional procedures would be required if separate auditors were used. While there are benefits for both the Port and the City, using the same audit firm might also limit the number of eligible auditing firms due to the scope, scale, and experience required.

The Port's current auditor contract expires with the performance of our fiscal year ended June 30, 2024, audits and will soon need to conduct an RFP. Considering both the benefits and risks of continuing to join the City in their solicitation, Port Staff plans to join the City's RFP process.