AGENDA AND NOTICE OF A PUBLIC MEETING OF THE
AUDIT COMMITTEE

COMMITTEE CHAIR: Booker Pearson
COMMITTEE MEMBERS: Lawson Martin, Irene Muro

Friday, May 17, 2019
10:30 a.m.
(or immediately following the adjournment of the Policy & Planning Committee meeting)

Los Angeles Homeless Services Authority
811 Wilshire Boulevard, 5th Floor
Los Angeles, CA 90017

AGENDA NO. ITEM AND DESCRIPTION PRESENTER PAGE

Call to Order/Roll Call/Establishment of Quorum
Agenda Items - The public will have an opportunity to speak to any agenda item when the item is called and before action is taken. A Request to Speak Form must be submitted to the Secretary prior to the completion of the agenda item. The Chair will determine the order of speaking and unless the Chair grants more or less time, the speaker's limit is two (2) minutes on each agenda item, subject to the total 20-minute period.

1.0 Review and approve minutes of the meeting held March 15, 2019. 2

2.0 Review and approve the threshold and quality review results of the 2019-2021 LAHSA A-133 Single Audit Request for Proposals (RFP) and authorize Executive Director to enter into contract with the recommended firm.

Dan Fisher 4

3.0 Public Participation
Each Public Participant speaker is limited to two (2) minutes and may address any topic within the Commission’s jurisdiction. A Request to Speak Form must be filled out and submitted to the Secretary prior to the beginning of Public Participation. Subject to the total 20-minute period, each Public Participation speaker is limited to two (2) minutes.

Adjournment

Packets of materials on agenda items are available to the public during normal business hours at 811 Wilshire Boulevard, 6th Floor, Los Angeles, CA 90017. For further information, you may call 213-683-3333. Upon request, sign language interpreters, materials in alternative formats and other accommodations are available to the public for LAHSA meetings. All requests for reasonable accommodations must be made at least three working days (72 Hours) in advance of the scheduled meeting date. For additional information, contact LAHSA at (213) 683-3333 or TTY (213) 553-8488.
MINUTES OF THE
LOS ANGELES HOMELESS SERVICES AUTHORITY
AUDIT COMMITTEE MEETING

Held Friday, March 15, 2019

The Los Angeles Homeless Services Authority Commission Audit Committee meeting held at 811 Wilshire Boulevard, Los Angeles, California was called to order at 10:40 a.m. by Commissioner Pearson.

Attendance
LAHSA Commissioners Present:
   Booker Pearson, Chair
   Lawson Martin
   Irene Muro

LAHSA Commissioners Absent:

LAHSA Staff:
   Tony Creed, Chief Financial Officer
   Eileen Bryson, Board Liaison
   Abou Sillah, Manager, Internal Monitoring

Call to Order/Roll Call/Establishment of Quorum
Roll was called and quorum was established at 10:40 a.m.

1.0 Review and approve minutes of the meeting held December 14, 2018.

   Motion: It was moved by Commissioner Martin and seconded by Commissioner Muro to approve the minutes as presented.

   Public Speaker(s): There were no public speakers.

   Action: The motion passed unanimously.

2.0 Review and approve LAHSA's audited financial statements and A-133 Single Audit Report for the year ending June 30, 2018.

   Dean Votava, CPA, gave the report:

   - Mr. Votava noted that the report is still in the draft stages and the final report should be ready today or early next week. He reviewed the summary statement provided.
   - There were three findings, one deficiency repeated from the prior year and two minor compliance findings regarding timely payments.
   - Mr. Votava provided a letter with three additional comments for internal consideration and best practice recommendations.
   - There was discussion about how time on payments and reimbursements will be improved.
   - Mr. Votava requested approval of LAHSA’s audited financial statements and A-133 Single Audit Report for the year ending June 30, 2018, including the additional comment letter.

   Motion: It was moved by Commissioner Martin and seconded by Commissioner Muro to approve LAHSA’s audited financial statements and A-133 Single Audit Report for the year ending June 30, 2018, as presented, including the additional letter.

   Public Speaker(s): There were no public speakers.

   Action: The motion passed unanimously.

3.0 Review and approve LAHSA's Internal Audit Annual Risk Assessment and Audit Plan.

   Abou Sillah, Manager, Internal Auditing, gave the report:
• Staff reviewed and requested approval of LAHSA’s Internal Audit Annual Risk Assessment and Audit Plan as presented.
• There was a discussion about the difference between the financial auditing and internal auditing and the cost. There was discussion about exit interviews and possible assistance with turnover, audit unit staffing, and scheduling.

Motion: It was moved by Commissioner Martin and seconded by Commissioner Muro to approve LAHSA’s Internal Audit Annual Risk Assessment and Audit Plan as presented.

Public Speaker(s): There were no public speakers.

Action: The motion passed unanimously.

4.0 Report on Internal Audits.
Abou Sillah, Manager, Internal Auditing, gave the report:
• Staff reported on Internal Audits as shown in the provided presentation.
• It was noted that the biggest challenge is appropriate staffing.

Action: The motion passed unanimously.

5.0 Public Participation

Public Speaker(s): There were no public speakers.

Adjournment
The meeting was adjourned at 11:44 a.m.
To: LAHSA Audit Committee

From: Daniel Fisher, Associate Director, Operations

Date: May 17, 2019

CC: Peter Lynn, Executive Director
    Tony Creed, Chief Financial Officer
    Kristina Dixon, Director, Finance
    Paul Duncan, Acting Director, Procurement and Performance Management
    Kelli Pezzelle, Manager, Procurement

Re: Threshold Review Results and Quality Review Results and Recommendations for the 2019 Single Audit Request for Proposals (RFP)

Committee Action Requested: Review and approve the Threshold Review Results and Quality Review Results for the 2019 Single Audit RFP and authorize Executive Director to enter into contract with the recommended firm.

Background: The Los Angeles Homeless Services Authority (LAHSA) released the 2019 Single Audit RFP on March 15, 2019 to secure proposals from a certified public accountant(s) to audit the financial statements and records of LAHSA as required by the provisions of Section 6505 of the California Government Code and the Single Audit Act Amendments of 1996. The individual or firm selected will perform financial audits in compliance with Title 2 of the Code of Federal Regulations Part 200 (2 CFR 200) Sub Part F Audit Requirements for Fiscal Years ending June 30, 2019, June 30, 2020, and June 30, 2021. The submission deadline for this RFP to LAHSA was Tuesday, April 16, 2019 at 2 p.m. LAHSA received six proposals.

Threshold Review Requirements: This was a review for satisfaction of LAHSA threshold requirements for completeness, proposer eligibility, and project eligibility as specified in the RFP. Threshold review consisted of the following criteria:

- Proposals must have been received no later than 2 p.m. on April 16, 2019.
- Proposals must have included all requested documents as listed in the RFP.

Threshold Review Results: All proposing firms passed threshold review.

Quality Review Criteria: Proposals that met all threshold requirements were submitted to a panel consisting of the Chief Financial Officer, Director of Finance, Associate Director of Accounting and Associate Director of Monitoring and Compliance for quality review and scoring. During the quality review, an emphasis was placed on the following criteria:

- Fee structure
- Relevant experience and client references
- Availability of staff with professional qualifications and technical abilities
- Quality of the audit work plan
Each proposal’s content, responsiveness, conciseness, clarity, relevance, and adherence to the instructions in this RFP were considered when scoring each category. Final scoring was based on the proposal as submitted. Scoring for the quality review was based upon a maximum of 100 points in the following categories:

<table>
<thead>
<tr>
<th>Scoring Area</th>
<th>Points</th>
</tr>
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<tbody>
<tr>
<td>Fee Structure</td>
<td>40</td>
</tr>
<tr>
<td>Experience and Capability</td>
<td>35</td>
</tr>
<tr>
<td>Work Plan Quality</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total Points Possible</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Quality Review Results:** The scores for each reviewer were averaged together to arrive at each proposing firm’s total score. The results of the quality review are as follows:

<table>
<thead>
<tr>
<th>Proposing Firm Name</th>
<th>Fee Structure Score</th>
<th>Experience and Capability Score</th>
<th>Work Plan Quality Score</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLA (CliftonLarsonAllen LLP)</td>
<td>28.4</td>
<td>33.8</td>
<td>24</td>
<td>86.1</td>
</tr>
<tr>
<td>Brown Armstrong</td>
<td>31.9</td>
<td>30.5</td>
<td>21</td>
<td>83.4</td>
</tr>
<tr>
<td>CohnResznick</td>
<td>25.2</td>
<td>33.3</td>
<td>24</td>
<td>82.5</td>
</tr>
<tr>
<td>Harshwal &amp; Company</td>
<td>36.3</td>
<td>26.8</td>
<td>17.8</td>
<td>80.8</td>
</tr>
<tr>
<td>Moss, Levy &amp; Hartzheim</td>
<td>34.1</td>
<td>26</td>
<td>16.5</td>
<td>76.6</td>
</tr>
<tr>
<td>Simpson &amp; Simpson</td>
<td>19.3</td>
<td>26.3</td>
<td>23</td>
<td>68.6</td>
</tr>
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**Staff Recommendations:** Staff recommends the approval of the Threshold Review and Quality Review Results and Recommendations as detailed in this memorandum. Based upon an evaluation of the criteria detailed above, LAHSA is recommending that the highest scoring firm, CLA (CliftonLarsonAllen LLP), be engaged to provide the audit services requested through this RFP.