



OFFICE OF THE CITY AUDITOR
City of Long Beach
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GARY L. BURROUGHS, CPA
City Auditor

September 7, 2004

Honorable Mayor and City Council
City of Long Beach, California

SUBJECT: CONTRACT FOR AUDIT SERVICES

Each year the City Auditor contracts for additional staffing in order to complete the annual financial audits. These services have been supplied by KPMG for many years to the satisfaction of the City Auditor and Financial Management. KPMG is a leader in the government auditing industry and provides valuable advice throughout the year. In addition, KPMG has accumulated unique historical knowledge of the organization due to our many years of working together. It is our desire to continue this contract and relationship.

The contract includes the City's Comprehensive Annual Financial Report, the Single Audit of grants, and all component unit financial statements that may be required. The list of component units is about ten, which includes the Port of Long Beach, Water Department, Long Beach Energy Department, and Redevelopment Agency.


We have negotiated a new contract to include all required financial reports, including the Aquarium and Long Beach Transit, for an amount not to exceed \$429,850. This price represents a 4.9 percent increase over last year, which is included in the proposed 2005 budget.

RECOMMENDED ACTION:

Authorize the City Manager to execute a contract with KPMG, LLP for a term of one year (October 1, 2004 to September 30, 2005) to provide financial audit services in an amount not to exceed \$429,850.

Sincerely,

GARY L. BURROUGHS, CPA
City Auditor


BY: J. C. Squires, CPA
Assistant City Auditor