



Legislation Text

File #: 19-0748, **Version:** 1

Annual Audit Committee of the County of El Dorado recommending the Board approve the following:

- 1) Award RFP 19-961-058 to the successful proposer, CliftonLarsonAllen, LLP, of Roseville, CA, for the provision of independent professional financial audit services;
- 2) Authorize the Chief Administrative Officer, or designee, to negotiate an Agreement for Services with CliftonLarsonAllen, LLP for a term of three (3) years with the option to extend for one (1) option period of two (2) years, in a total amount not to exceed \$209,750 for the initial three (3) year term; and
- 3) Authorize the Purchasing Agent to execute said Agreement, contingent upon Counsel and Risk Management review and approval and minor revisions.

FUNDING: General Fund.

DISCUSSION / BACKGROUND

The County adheres to the accounting principles, standards and procedures prescribed by the State Controller's Office as set forth in its manual Accounting Standards and Procedures for Counties, which conforms to Generally Accepted Accounting Principles (GAAP).

Pursuant to Government Code section 25250, the Board of Supervisors is required by law to at least biennially "examine and audit, or cause to be audited, the financial accounts and records of all officers having responsibility for the care, management, collection or disbursement of money belonging to the county or money received or disbursed by them under the authority of law." The Board may employ the services of an independent certified public accountant or licensed public accountant to perform this examination in accordance with generally accepted auditing principles.

Section 925 of the California Penal Code provides that the "Grand Jury shall investigate and report on the operations, accounts and records of the officers, departments, or functions of the county" however, they may not duplicate any examination of financial statements that has been performed by or for the Board of Supervisors. In recognition of the Grand Jury's role in reviewing the financial statements of the county, the Board of Supervisors adopted Policy B-9, Annual Audit Contract - Grand Jury Participation, which provides that the County Grand Jury shall be given an opportunity to participate in the selection of a contracted auditor for the annual audit.

On September 29, 2015, the Board adopted Resolution 151-2015 to create a standing Annual Audit Committee responsible for:

- 1) Establishing the method for selecting a public accounting firm to conduct the annual audit of the County's financial statements;
- 2) Making a recommendation to the Board for the award of the contract for the Annual Audit; and
- 3) Reviewing the Annual Audit findings and responses and make recommendations to the Board, if appropriate.

The Procurement and Contracts Division released RFP No. 19-961-058 to solicit proposals for

Independent Audit Services. Proposals were received from CliftonLarsonAllen, LLP, and Lance, Soll & Lundghard, LLP. The Audit Committee evaluated the proposals considering the criteria outlined in the RFP (organization size, structure and resources of firm; prior auditing experience; qualifications of staff; audit coverage and approach; and cost), interviewed both firms, and recommends awarding the RFP to CliftonLarsonAllen, LLP.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Procurement and Contracts

CAO RECOMMENDATION

The Chief Administrative Office concurs with the recommendation.

FINANCIAL IMPACT

Funding for independent audit services is included in the FY 2019-20 Recommended Budget, and will be included in future years' budgets.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

Shawne Corley, Assistant Chief Administrative Officer