

**COUNTY OF MONTEREY**

AMENDMENT #1 to AGREEMENT #5010-PSA1998

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MONTEREY COUNTY

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**Kevin W. Harper CPA & Associates**

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ADMIN SERVICES BRANCH

**THIS AMENDMENT** is made and entered into by and between the County of Monterey, a political subdivision of the State of California, (hereinafter, "COUNTY"), and **Kevin W. Harper CPA & Associates** (hereinafter, "CONTRACTOR").

**WHEREAS**, This Amendment modifies the agreement for Federal subrecipient monitoring services, Federal audit and compliance consultation services, and staff and community based organization training for the Department of Social Services, between the parties originally executed on **December 19, 2017**, (hereinafter, "Original Agreement"),

**WHEREAS**, The County and CONTRACTOR wish to amend the Original Agreement by **extending the term through May 30, 2022**.

**NOW THEREFORE**, the parties agree:

1. Section 1.0 GENERAL DESCRIPTION of the Original Agreement is amended to read as follows:
  - 1.01 The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit AA**, in conformity with the terms of this Agreement. The services are generally described as follows: Provide Federal subrecipient monitoring services, Federal audit and compliance consultation services, and training to staff and community-based organizations for the Department of Social Services.
2. Section 2.0 PAYMENT PROVISIONS of the Original Agreement is amended to read as follows:
  - 2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit AA**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement is not to exceed the sum of **\$98,000.00**
3. Section 3.0 TERM OF AGREEMENT of the Original Agreement is amended to read as follows:
  - 3.01 The term of this Agreement is from May 31, 2017 through **May 30, 2022** unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

- 4. Section 4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS of the Original Agreement is amended to read as follows:

4.01 The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

<b>Exhibit AA</b>	<b>Scope of Services/Payment Provisions</b>
Exhibit A-1	AAA Audit Requirements
<b>Exhibit BB</b>	<b>Budget</b>
Exhibit C	Lobbying Certification
Exhibit D	Modification to Standard Agreement

- 5. Exhibits A and B of the Original Agreement are rescinded, and replaced by **Exhibits AA and BB**, attached.

If there is any conflict or inconsistency between the provisions of the AGREEMENT, or this AMENDMENT, the provisions of this AMENDMENT shall govern. A copy of this AMENDMENT shall be attached to the original AGREEMENT, as it may have been previously amended.

Except as provided herein, all remaining terms, conditions, provisions, entitlements and obligations of the original AGREEMENT shall remain unchanged and unaffected by this AMENDMENT and shall continue in full force and effect.

*(remainder of this page intentionally left blank)*

IN WITNESS HEREOF, the parties hereby execute this amendment as follows:

COUNTY OF MONTEREY.

**Kevin W. Harper CPA & Associates**

By: DocuSigned by:  
Debra Wilson, Contracts/Purchasing Supervisor  
7B741937AA0D41B  
Mike Derr  
Contracts-Purchasing Officer

By: DocuSigned by:  
Kevin W; Harper, CPA  
01CB06A8DFB04E6...  
(Chair, President, Vice-President)

Date: 7/6/2020 | 1:07 PM PDT

\_\_\_\_\_  
(Print Name & Title)  
Date: 6/28/2020 | 6:45 PM PDT

**Approved as to Form:**

By: \_\_\_\_\_  
(Secretary, CFO, Treasurer)

DocuSigned by:  
[Signature]  
07025F3AA36B4A4  
Deputy County Counsel  
6/28/2020 | 8:34 PM PDT  
Date: \_\_\_\_\_

\_\_\_\_\_  
(Print Name and Title)  
Date: \_\_\_\_\_

**Approved as to Fiscal Provisions:**

DocuSigned by:  
Joemaiyra Nolasco  
F60C442ED05B437...  
Auditor-Controller's Office  
7/2/2020 | 12:43 PM PDT  
Date: \_\_\_\_\_

SCOPE OF WORK

MONTEREY COUNTY DEPARTMENT OF SOCIAL SERVICES  
and  
KEVIN W. HARPER CPA & ASSOCIATES  
May 31, 2017 through May 30, 2022

I. CONTACT INFORMATION

Contractor: Kevin W. Harper, CPA  
20885 Redwood Road, Suite 202  
Castro Valley, CA 94546  
(510) 593-5037  
e-mail: [kharper@kevinharpercpa.com](mailto:kharper@kevinharpercpa.com)

County Contact: Becky Cromer  
**Interim Finance Director**  
1000 South Main Street, Suite 306  
Salinas, CA 93901  
(831) 755-4404  
Fax: (831) 755-8476  
e-mail: [cromerbL@co.monterey.ca.us](mailto:cromerbL@co.monterey.ca.us)

II. SCOPE OF WORK

CONTRACTOR shall provide services and staff to perform the work, up to the total amount budgeted in **Exhibit BB**, as set forth below:

A. Project Administration:

1. Planning:
  - a. Meet with County management to discuss project goals and status of compliance with Uniform Guidance.
  - b. Request and review documents including list of subrecipients and standard subgrant agreement.
  - c. Finalize communication protocols.

B. Administrative Requirements:

1. Ensure all assigned audit staff possess the proper licensing and requisite experience and knowledge in the areas of Social Services and other Program Areas requested for review in order to properly assess and conduct subrecipient monitoring requirements in those areas.

## EXHIBIT AA

2. Coordinate with other County Departments, as requested by County, when there is a common subrecipient between major program areas. Social Services may connect with other County departments regarding reviews on shared subrecipients, on a case by case basis.

### **C. Federal Subrecipient Monitoring Services:**

1. Conduct initial assessments of all agreements to determine proper classification of subrecipient vs. contractor and for any new subrecipients on an ongoing basis. Conduct financial risk assessments for all subrecipients, including community-based organizations with County General Funds.
2. Conduct financial reviews of all Area Agency on Aging subrecipients' audit reports, retroactively for Fiscal Years (FY)14/15 and 15/16, and then the current FY 16/17 reports; completing a summary worksheet on each subrecipient. The County has a template that the State has approved, however if CONTRACTOR wants to use a different format, County must approve format. See Exhibit A-1 for California Department of Aging criteria for Area Agency on Aging's subrecipients. Note: FY 14/15 has partially been completed by DSS.
3. Prepare an overall Fiscal Year Summary worksheet of results from the financial reviews performed of all Area Agency on Aging subcontractors. The Summary worksheet shall include, but not be limited to, contract amounts, amounts resolved, amounts of match verified, if applicable; resolution of variances recovered amounts, whether an audit was relied upon or if an independent expense verification review (alternative procedures) was performed on the subcontractor in making a determination, whether audit findings were issued; and, if applicable, issuance date of the management letter, and any communication or follow-up performed to resolve the findings.
4. Evaluate if new system will be developed to track and summarize results from financial audit reviews for Social Services and Community Action Partnership. If new system is determined to be necessary, assist County in developing the new tracking and summarizing tool.
5. Evaluate if new system will be developed to track and summarize results of subrecipient monitoring, both on-site and desk reviews for both financial and program needs. If new system is determined to be necessary, assist County in developing the new tracking and summarizing tool.

## EXHIBIT AA

6. Conduct annual Fiscal desk review/monitoring of subrecipients as requested by County.
7. Conduct annual fiscal on-site monitoring reviews of "high risk" subrecipients including testing for suspension and debarment, beginning with FY 2017-18.
8. Conduct bi-annual fiscal on-site monitoring reviews for moderate to low risk subrecipients or as necessary, beginning with FY 2017-18.
9. Coordinate reporting, assessment and monitoring requirements with respective staff and management prior to conducting reviews and visits as required.
10. Prepare a Fiscal Summary of results, from both on-site and desk reviews performed, of all subcontractors requested as determined in the above County process. The Summaries will need to be separated between Social Services, Community Action Partnership, and Area Agency on Aging, if possible. The Summary worksheet shall include, but not limited to: date of the review, type and amount of program funding, date of letter sent to contractor of results, resolution of any findings, and any communication or follow-up performed to resolve the findings.
11. Assist management with timely adherence to follow up on Management Decision issuances, corrective action requirements for deficiencies and other audit findings for its subrecipients.

### **D. Federal Audit and Compliance Consultation Services:**

1. Conduct two (2) Uniform Guidance training sessions to staff involved with subrecipient and contract monitoring activities.
2. Conduct 2-3 Uniform Guidance training sessions to subrecipient and community based organizational partners, as requested by County.
3. Consult with each major program area to review application of federal subrecipient program requirements, as requested by County.
4. Assist with federal pre-award issuance compliance requirements and internal procedures and controls as they pertain to federal programs.
5. Provide control environment consultation and assistance in development and monitoring of internal structures and procedures to ensure internal controls are in place for proper monitoring of subrecipients.
6. Review existing contract monitoring tools and assist in updating monitoring tools and template development.
7. Review existing, and assist with development of, subrecipient monitoring policies and procedures.

## EXHIBIT AA

8. Provide training to program staff on how to do a performance risk assessments for all subrecipients, including community-based organizations funded with County General Funds.
9. Provide training to Fiscal staff on fiscal risk assessments for all (new) subrecipients, as requested by County.

### III. REPORTING

#### CONTRACTOR SHALL:

1. Prepare invoice monthly with a breakdown of services in accordance with **Exhibit BB**, Budget, by the last day of the month following the month claimed except for the final invoice of the fiscal year (June) which shall be due no later than July 20th.
2. Provide status report of results on financial reviews and monitoring of subrecipients in accordance with **Exhibit AA**, Section II, C.

### IV. PAYMENT PROVISIONS

COUNTY shall pay CONTRACTOR based upon the rates and budget details as set forth in **Exhibit BB**, Payment and Budget Details.

CONTRACTOR shall submit monthly itemized invoices of actual costs incurred to the COUNTY by the last day of the following month, in accordance with the rates listed in **Exhibit BB**.

CONTRACTOR shall submit monthly itemized invoices of actual costs incurred to COUNTY by the last day of the following month, in accordance with the rates listed below:

1. Partner	\$225
2. Manager	\$170
3. Senior Auditor	\$140
4. Staff Auditor	\$100
5. Paraprofessional	\$ 80

County and CONTRACTOR agree that CONTRACTOR shall be reimbursed for travel expenses during this Agreement. CONTRACTOR shall receive compensation for travel expenses as per the "County Travel Policy". A copy of the policy is available online at [www.co.monterey.ca.us/auditor/policies.htm](http://www.co.monterey.ca.us/auditor/policies.htm). To receive reimbursement, CONTRACTOR must provide a detailed breakdown of authorized expenses, identifying what was expended and when.

The maximum amount to be paid by COUNTY to CONTRACTOR under this agreement shall not exceed **ninety eight thousand dollars (\$98,000.00)**.

**EXHIBIT BB**

KEVIN W. HARPER CPA & ASSOCIATES  
 TERM: May 31, 2017 through **May 30, 2022**

**PAYMENT AND BUDGET DETAILS**

In consideration of the services provided by CONTRACTOR described in **Exhibit AA** and subject to the terms of the agreement, COUNTY shall pay Contractor based on the following terms:

**I. INVOICE**

CONTRACTOR shall submit monthly itemized invoices of actual costs incurred to Becky Cromer by the last day of the following month. The maximum amount to be paid by County to CONTRACTOR under this agreement shall not exceed **ninety eight thousand dollars (\$98,000.00)**.

**II. RATE OF PAYMENT:**

CONTRACTOR shall invoice in accordance with the rates listed below. CONTRACTOR guarantees the rates below through the term of the contract and will use them in determining future year budgets.

1. Partner	\$225
2. Manager	\$170
3. Senior Auditor	\$140
4. Staff Auditor	\$100
5. Paraprofessional	\$ 80

**III. BUDGET**

The following estimated budget shall be flexible between line items and the maximum amount to be paid by COUNTY to CONTRACTOR under this agreement shall not exceed **ninety eight thousand dollars (\$98,000.00)**.

1. Planning	20 hrs	\$4,500
2. Conduct sub-recipient determination screening	40 hrs	\$7,300
3. Conduct Risk Assessments of all Sub-recipients	60 hrs	\$10,100
4. Review Sub-recipient Financial Reports	120 hrs	\$15,700
5. Conduct on-site Monitoring/Desk Reviews	160 hrs	\$25,800
6. Project Administration	30 hrs	\$6,750
7. Training and Consultation	40 hrs	\$9,000
8. Write procedures / revise standard subgrant	55 hrs	\$10,250
9. Travel		<u>\$8,600</u>
Total	505 hrs	\$98,000



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**COUNTY OF MONTEREY STANDARD AGREEMENT  
(NOT TO EXCEED \$100,000)**

This Agreement is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and: Kevin W. Harper CPA & Associates (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

**1.0 GENERAL DESCRIPTION.**

- 1.01 The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in Exhibit A in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:  
Provide Federal subrecipient monitoring services, Federal audit and compliance consultation services, and training to staff and community-based organizations for the Department of Social Services.

**2.0 PAYMENT PROVISIONS.**

- 2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement is not to exceed the sum of \$ 98,000.00.

**3.0 TERM OF AGREEMENT.**

- 3.01 The term of this Agreement is from May 31, 2017 to June 30, 2020, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.
- 3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

**4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS.**

- 4.01 The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
- Exhibit A Scope of Services/Payment Provisions
  - Exhibit A-1 AAA Audit Requirements
  - Exhibit B Budget
  - Exhibit C Lobbying Certification
  - Exhibit D Modification to Standard Agreement

CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

- 7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

## 8.0 INDEMNIFICATION.

~~9.01 Contractor shall indemnify, defend and hold harmless the County, its Members, Board of Supervisors, its officers, agents and employees from any claim, liability, damages, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The Contractor shall reimburse the County for all costs, attorneys' fees, and liabilities incurred with respect to any litigation in which the Contractor is obligated to indemnify, defend and hold harmless the County under this Agreement.~~

KWA 11/27/2017

See Exhibit D - Modification to Standard Agreement

## 9.0 INSURANCE REQUIREMENTS.

### 9.01 Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

### 9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

- 9.03 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

## 10.0 RECORDS AND CONFIDENTIALITY.

- 10.01 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by

be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

**13.0 INDEPENDENT CONTRACTOR.**

13.01 In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

**14.0 NOTICES.**

14.01 Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
Becky Cromer, Finance Manager II	Kevin W. Harper, CPA
Name and Title	Name and Title
1000 S. Main Street, Suite 306 Salinas, CA 93901	20885 Redwood Road, Suite 202 Castro Valley, CA 94546
Address	Address
831-755-4404	510-593-5037
Phone	Phone

**15.0 MISCELLANEOUS PROVISIONS.**

15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.

15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

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SCOPE OF WORK

MONTEREY COUNTY DEPARTMENT OF SOCIAL SERVICES  
and  
KEVIN W. HARPER CPA & ASSOCIATES  
May 31, 2017 through June 30, 2018

I. CONTACT INFORMATION

**Contractor:** Kevin W. Harper, CPA  
20885 Redwood Road, Suite 202  
Castro Valley, CA 94546  
(510) 593-5037  
e-mail: [kharper@kevinharpercpa.com](mailto:kharper@kevinharpercpa.com)

**County Contact:** Becky Cromer  
Finance Manager II  
1000 South Main Street, Suite 306  
Salinas, CA 93901  
(831) 755-4404  
Fax: (831) 755-8476  
e-mail: [cromerbL@co.monterey.ca.us](mailto:cromerbL@co.monterey.ca.us)

II. SCOPE OF WORK

CONTRACTOR shall provide services and staff to perform the work, up to the total amount budgeted in Exhibit B, as set forth below:

A. Project Administration:

1. Planning:

- a. Meet with County management to discuss project goals and status of compliance with Uniform Guidance.
- b. Request and review documents including list of subrecipients and standard subgrant agreement.
- c. Finalize communication protocols.

B. Administrative Requirements:

1. Ensure all assigned audit staff possess the proper licensing and requisite experience and knowledge in the areas of Social Services and other Program Areas requested for review in order to properly assess and conduct subrecipient monitoring requirements in those areas.

## EXHIBIT A

6. Conduct annual Fiscal desk review/monitoring of subrecipients as requested by County.
7. Conduct annual fiscal on-site monitoring reviews of "high risk" subrecipients including testing for suspension and debarment, beginning with FY 2017-18.
8. Conduct bi-annual fiscal on-site monitoring reviews for moderate to low risk subrecipients or as necessary, beginning with FY 2017-18.
9. Coordinate reporting, assessment and monitoring requirements with respective staff and management prior to conducting reviews and visits as required.
10. Prepare a Fiscal Summary of results, from both on-site and desk reviews performed, of all subcontractors requested as determined in the above County process. The Summaries will need to be separated between Social Services, Community Action Partnership, and Area Agency on Aging, if possible. The Summary worksheet shall include, but not limited to: date of the review, type and amount of program funding, date of letter sent to contractor of results, resolution of any findings, and any communication or follow-up performed to resolve the findings.
11. Assist management with timely adherence to follow up on Management Decision issuances, corrective action requirements for deficiencies and other audit findings for its subrecipients.

### **D. Federal Audit and Compliance Consultation Services:**

1. Conduct two (2) Uniform Guidance training sessions to staff involved with subrecipient and contract monitoring activities.
2. Conduct 2-3 Uniform Guidance training sessions to subrecipient and community based organizational partners, as requested by County.
3. Consult with each major program area to review application of federal subrecipient program requirements, as requested by County.
4. Assist with federal pre-award issuance compliance requirements and internal procedures and controls as they pertain to federal programs.
5. Provide control environment consultation and assistance in development and monitoring of internal structures and procedures to ensure internal controls are in place for proper monitoring of subrecipients.
6. Review existing contract monitoring tools and assist in updating monitoring tools and template development.
7. Review existing, and assist with development of, subrecipient monitoring policies and procedures.

**AREA AGENCY ON AGING SUB-CONTRACTOR AUDIT REQUIREMENTS**

County of Monterey is mostly a pass-through agency for California Department of Aging's (CDA) various funding sources. Below are the guidelines from California Department of Aging's agreement to the County. References to the County in this exhibit will represent Monterey County Department of Social Services. County's contractor Kevin W. Harper, CPA shall assist the County in complying with State guidelines around the monitoring of subrecipients through the tasks described in this Agreement.

- A. The State of California Department of Aging has disclosed in their State agreement that the COUNTY shall have the responsibility for resolving its contracts with subcontractors to determine whether funds provided under this Agreement are expended in accordance with applicable laws, regulations, and provisions of contracts or agreements.

Contract resolution includes:

1. Ensuring that subcontractors expending \$750,000 or more in federal awards during subcontractor's fiscal year have met the audit requirements of 2 CFR 200.501 – 200.521 and 45 CFR 75.501 – 75.521 as summarized in Section A and B of this exhibit.
2. Issuing a management decision on audit findings within six (6) months after receipt of the subcontractor's single audit report and ensuring that the subcontractor takes appropriate and timely corrective action.
3. Reconciling expenditures reported to the COUNTY to the amounts identified in the single audit or other type of audit if the subcontractor was not subject to the single audit requirements. For a subcontractor who was not required to obtain a single audit and did not obtain another type of audit, the reconciliation of expenditures reported to CDA must be accomplished through performing alternative procedures (e.g., risk assessment [2 CFR 200.331 and 45 CFR 75.352], documented review of financial statements, and documented expense verification, including match, etc. [See Monterey County Audit Exhibit for further specific requirements]).
4. When alternative procedures are used, the COUNTY shall perform financial management system testing, which provides, in part, for the following:
  - a. Accurate, current, and complete disclosure of the financial results of each federal award or program.
  - b. Records that identify adequately the source and application of funds for each federally funded activity.
  - c. Effective control over, and accountability for, all funds, property, and other assets to ensure these items are used solely for authorized purposes.
  - d. Comparison of expenditures with budget amounts for each federal award.
  - e. Written procedures to implement the requirements of 2 CFR 200.305 and 45 CFR 75.305.
  - f. Written procedures for determining the allowability of costs in accordance with 2 CFR Part 200, Subpart E – Cost Principles and 45 CFR Part 75, Subpart E – Cost Principles.



## EXHIBIT A-1

- E. A reasonably proportionate share of the costs of audits required by, and performed in accordance with the Single Audit Act Amendments of 1996, as implemented by requirements of this part, are allowable. However, the following audit costs are unallowable:
1. Any costs when audits required by the Single Audit Act, 2 CFR 200, Subpart F – Audit Requirements and 45 CFR 75, Subpart F – Audit Requirements have not been conducted or have been conducted but not in accordance therewith; and
  2. Any costs of auditing a non-federal entity that is exempted from having an audit conducted under the Single Audit, 2 CFR 200, Subpart F Audit Requirements and 45 CFR 75, Subpart F – Audit Requirements because its expenditures under federal awards are less than \$750,000 during the non-federal entity's fiscal year.
    - a. The costs of financial statement audit of a non-federal entity that does not currently have a federal award may be included in the indirect cost pool for a cost allocation plan or indirect cost proposal.
    - b. Pass-through entities may charge federal awards for the cost of agreed-upon-procedures engagements to monitor subcontractors who are exempted from the requirements of the Single Audit Act, 2 CFR 200, Subpart F – Audit Requirements and 45 CFR 75, Subpart F – Audit Requirements. This cost is allowable only if the agreed-upon procedures engagements are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) attestation standards, paid for and arranged by the pass-through entity, and limited in scope to one or more of the following types of compliance requirements: activities allowed or not allowed; allowable costs/cost principles; eligibility; and reporting.  
[2 CFR 200.425 and 75 CFR 75.425]
- F. The COUNTY shall cooperate with and participate in any further audits which may be required by the State.

**CERTIFICATION REGARDING LOBBYING**

**Kevin W. Harper CPA & Associates**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements, and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Kevin W. Harper  
Signature

Owner  
Title

Kevin W. Harper CPA & Associates  
Agency/Organization

11/27/2017  
Date