

COUNTY OF MONTEREY
Amendment No. 2 to Agreement # 5010-PSA1998
Kevin W. Harper CPA & Associates

This Amendment No. 2 is made and entered into by and between the County of Monterey, a political subdivision of the State of California, (hereinafter “COUNTY”), and contractor name (hereinafter “CONTRACTOR”).

WHEREAS, COUNTY and CONTRACTOR entered into an agreement for federal subrecipient monitoring services, federal audit and compliance consulting services and training for the period of May 31, 2017 to June 30, 2020 for a contract total of \$98,000 (hereinafter “Original Agreement”)

WHEREAS, the parties amended the Agreement via Amendment No. 1 by extending the term to May 30, 2022 with no change to the contract amount.

WHEREAS, the parties wish to amend the Agreement via Amendment No. 2 by extending the term to **June 30, 2023** and adding **\$20,000** for a revised contract total of **\$118,000**.

AGREEMENT

NOW THEREFORE, the parties agree to amend the Agreement as follows:

This Agreement is hereby amended on the terms and conditions as set forth in the original Agreement and Amendment No. 1 incorporated herein by this reference, except as specifically set forth below.

1. **Section 2.0, “PAYMENT PROVISIONS”** is amended as follows:
“County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit AAA**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of **\$118,000**”.
2. **Section 3.0, “TERM OF AGREEMENT”** is amended as follows:
“The term of this Agreement shall be from May 31, 2017 to **June 30, 2023** unless sooner terminated pursuant to the terms of this Agreement”.
3. **Exhibit AAA, Section IV**, reflects the new contract total of **\$118,000**
4. **Exhibit BBB, Budget**, incorporates the added **\$20,000** and the new contract total of **\$118,000**.
5. Except as provided herein, all remaining terms, conditions and provisions of the original Agreement are unchanged and unaffected by this Amendment No. 2 and shall continue in full force and effect as set forth in the original Agreement and in Amendment No. 1.
6. A copy of this Amendment No. 2 shall be attached to the Original Agreement.

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

COUNTY OF MONTEREY:

By: _____

Lori A. Medina
DSS Director

Date: _____

CONTRACTOR:

By: _____

(Chair, President, Vice-President)

(Print Name & Title)

3/23/2022 | 4:27 PM PDT
Date: _____

By: _____

(Secretary, CFO, Treasurer)

(Print Name and Title)

Date: _____

Approved as to Form:

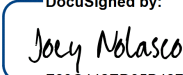
DocuSigned by:


Deputy County Counsel

3/23/2022 | 4:46 PM PDT

Date: _____

Approved as to Fiscal Provisions:

DocuSigned by:


Auditor Controller's Office

3/24/2022 | 3:17 PM PDT

Date: _____

EXHIBIT AAA

SCOPE OF WORK

MONTEREY COUNTY DEPARTMENT OF SOCIAL SERVICES
and
KEVIN W. HARPER CPA & ASSOCIATES
May 31, 2017 through **June 30, 2023**

I. CONTACT INFORMATION

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

County Contact: Becky Cromer
Finance Manager III
1000 South Main Street, Suite 306
Salinas, CA 93901
(831) 755-4404
Fax: (831) 755-8476
e-mail: 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 BBB**, 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 AAA

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 AAA

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 AAA

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 BBB**, 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 AAA**, Section II, C.

IV. PAYMENT PROVISIONS

COUNTY shall pay CONTRACTOR based upon the rates and budget details as set forth in **Exhibit BBB**, 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 BBB**.

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. 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 **one hundred eighteen thousand dollars (\$118,000)**.

EXHIBIT BBB

KEVIN W. HARPER CPA & ASSOCIATES
 TERM: May 31, 2017 through **June 30, 2023**

PAYMENT AND BUDGET DETAILS

In consideration of the services provided by CONTRACTOR described in **Exhibit AAA** 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 **one hundred eighteen thousand dollars (\$118,000)**

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 **one hundred eighteen thousand dollars (\$118,000)**.

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	240 hrs	\$35,700
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		\$8,600
Total	645 hrs	\$118,000