



# County of Monterey

## Item No.

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

Legistar File Number: 23-313

April 25, 2023

**Introduced:** 4/12/2023

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

- a. Approve and authorize the Contracts/Purchasing Officer or the Contracts Purchasing Supervisor to execute a non-standard agreement with CliftonLarsonAllen, LLP and Moss Adams LLP who have been pre-qualified pursuant to Request for Qualifications (RFQ) #10866, to perform, on an as-needed basis, financial audits, performance audits and/or advisory consulting services (“Services”), with an initial term of date of execution by the County, with County signing last, through March 31, 2026, with no initial monetary liability assigned to each agreement.
- b. Accept non-standard risk provisions in the agreements, as recommended by the Auditor-Controller.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer or the Contracts Purchasing Supervisor to execute a non-standard agreement with CliftonLarsonAllen, LLP and Moss Adams LLP who have been pre-qualified pursuant to Request for Qualifications (RFQ) #10866, to perform, on an as-needed basis, financial audits, performance audits and/or advisory consulting services (“Services”), with an initial term of date of execution by the County, with County signing last, through March 31, 2026, with no initial monetary liability assigned to each agreement.
- b. Accept non-standard risk provisions in the agreements, as recommended by the Auditor-Controller.

### SUMMARY:

On May 3, 2022, the Board approved the Auditor-Controller’s Internal Audit Work Plan. One of the major internal audit responsibilities in the Internal Audit Work Plan is helping guide County departments and related entities through the procurement and contract management process to secure external firms for needed or mandated audit and consulting services. To facilitate this internal audit responsibility, the Auditor-Controller indicated the need to establish a pool of pre-qualified audit firms to provide financial, performance and related audit and consulting services.

On October 3, 2022, the Auditor-Controller solicited Statements of Qualifications (SOQs) from qualified consultants through a competitive Request for Qualifications (RFQ) #10866 to establish separate contractor pools for the following as-needed services (“Services”):

1. **Financial Audits:** independent assessments of whether the audited entity’s reported financial information (e.g., financial condition, results, and use of resources) is presented fairly, in all material respects, in accordance with recognized criteria. Besides financial statement audits, other financial audits could include auditing internal controls over financial reporting that is integrated with an audit of financial statements.
2. **Performance Audits:** objective analysis to assist management and those charged with governance and oversight with improving performance and operations (including financial operations), ensuring contract and regulatory compliance, enhancing internal controls, reducing costs, facilitating decision-making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability. Examples of performance audits include program or operational audits, and contract or regulatory compliance audits.
3. **Consulting Services:** a broad range of advisory and related client service activities, the nature and scope of which are agreed upon with the County, and which are intended to add value and improve the County’s operations, management, and governance. Examples include attestations, agreed-upon procedures, business process mapping, non-audit reviews, benchmarking, strategic planning, facilitation, counsel and advice, audit/internal control training, special studies, and other subject-matter expertise and technical skills.

Based on staff’s review and evaluation, the following eight (8) firms were determined to be the most qualified due to their expertise and capabilities to provide Services: Badawi & Associates, Inc.; CliftonLarsonAllen, LLP; GPP Analytics, Inc.; Harvey M. Rose Associates, LLC; Moss Adams LLP; Lance, Soll & Lunghard LLP; Macias Gini & O’Connell LLP; and The Pun Group LLP. Of the eight (8) firms selected, six (6) firms were deemed qualified to participate in all three contractor pools (Financial Audit, Performance Audit and Consulting Services), while two (2) firms were deemed qualified to participate in the Performance Audit and Consulting Services Pools.

The Contracts/Purchasing Officer has signed standard agreements pursuant to RFQ #10866 with six (6) of the eight (8) firms. The recommended Board action would allow for the execution of non-standard agreements with the remaining two (2) firms for a total of eight (8) qualified firms. Each of the eight (8) agreements has an initial three (3) year term and may be extended for two (2) additional one (1) year periods.

DISCUSSION:

These agreements for as-needed Services do not provide for any monetary liability. No guarantee of work is given or implied. When an audit or consulting service project is needed by the County, the Auditor-Controller will prepare a Task Order Solicitation (“Task Order Solicitation”).

A Task Order Solicitation is a request for a needed performance audit, financial audit or consulting service project. A Task Order Solicitation will contain the purpose, objectives, and scope of work for the desired project. The Auditor-Controller will invite all firms on the appropriate contractor pool to submit proposals in response to the Task Order Solicitation.

At the conclusion of each solicitation, a Task Order shall be awarded to the successful bidder representing the best overall value to the County on the basis of experience, approach, qualifications and cost. The Task Order shall apply the terms and conditions of the agreement with the successful bidder and set forth the statement of work, including the description of services, price, payment schedule, project and performance schedule and milestones, and deliverables. Each Task Order shall be signed by the Contracts/Purchasing Agent. Board approval shall be sought if the aggregate of task orders against a particular agreement will exceed the Contracts/Purchasing Agent’s signing authority of \$200,000.

OTHER AGENCY INVOLVEMENT:

Auditor-Controller has reviewed and approved as to financial terms of the two (2) non-standard agreements. County Counsel has reviewed and approved as to form. Risk Management declined to approve as to risk.

FINANCING:

Funds for these Services shall be contained within the approved budget allocations of the department utilizing the Services. Expenditures will depend on the actual services requested by the County.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

*These actions will support provision of necessary services to all County Departments.*

Mark a check to the related board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: James Lam, Chief Deputy Auditor-Controller, Internal Audit, 755-5493

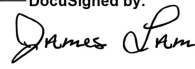
Approved by: Rupa Shah, CPA, Auditor-Controller, 755-5084

Appendix 1:

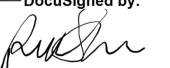
1. List of Agreements and Firms Selected

Attachments:

1. Agreement with Addendum and Exhibits - CliftonLarsonAllen, LLP
2. Agreement with Addendum and Exhibits - Moss Adams LLP

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**Appendix 1.**
**Non-Standard Agreements Requiring Board Approval:**

<b>Firm</b>	<b>Financial Audit Services</b>	<b>Performance Audit Services</b>	<b>Consulting Services</b>
CliftonLarsonAllen, LLP	X	X	X
Moss Adams LLP	X	X	X

**Executed Standard Agreements:**

<b>Firm</b>	<b>Financial Audit Services</b>	<b>Performance Audit Services</b>	<b>Consulting Services</b>
Badawi & Associates, Inc.	X	X	X
GPP Analytics, Inc.		X	X
Harvey M. Rose Associates, LLC		X	X
Lance, Soll & Lunghard LLP	X	X	X
Macias Gini & O'Connell LLP	X	X	X
The Pun Group LLP	X	X	X