



County of Monterey

Item No.

Board Report

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

Legistar File Number: 23-501**June 13, 2023****Introduced:** 6/1/2023**Current Status:** Draft**Version:** 1**Matter Type:** General Agenda Item

- a. Approve and authorize the Contracts Purchasing Officer, or designee, to execute Amendment No. 3 to the Agreement with CliftonLarsonAllen LLP to provide audit services of the County's financial statements, Single Audits, and non-ACFR entities, adding 24 months for a revised term of August 1, 2018 to June 30, 2025, and \$375,010 for a revised total agreement amount not to exceed \$1,220,410.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts Purchasing Officer, or designee, to execute Amendment No. 3 to the Agreement with CliftonLarsonAllen LLP to provide audit services of the County's financial statements, Single Audits, and non-ACFR entities, adding 24 months for a revised term of August 1, 2018 to June 30, 2025, and \$375,010 for a revised total agreement amount not to exceed \$1,220,410.

SUMMARY/DISCUSSION:

On July 17, 2018, the Board of Supervisors approved an agreement with CliftonLarsonAllen LLP (CLA) for independent audit services for the mandated audits of the County's Annual Comprehensive Financial Report (ACFR), Single Audits, and other financial statements for the fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020. The Agreement was pursuant to RFP#10682 for a three (3) year term with the option to amend for a period of up to two years.

On October 26, 2021, the Board of Supervisors approved Amendment No. 1, extending the term 12 months to allow for completion of the Fiscal Year 2021 audits. On June 21, 2022, the Board of Supervisors approved Amendment No. 2, extending the term another 12 months to allow for completion of the Fiscal Year 2022 audits.

Although the option for two amendments under the agreement has been executed, issuance of a new Request for Proposal (RFP) to change the independent audit firm is not recommended due to the upcoming Enterprise Resource Planning (ERP) implementation project that will replace the existing financial, and payroll systems of the County. Maintaining the audit services with the same firm that is familiar with the County's current system and processes, is recommended

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during this transition period to avoid any negative ramifications such as delay in audit completion, jeopardizing effective implementation of a new system, inefficient use of constrained internal resources tasked with both ongoing operations and system implementation project tasks.

The proposed Amendment No. 3 would extend the term another 24 months to allow for completion of Fiscal Year 2022-2023 and Fiscal Year 2023-2024 audits, adding \$375,010 to the agreement.

OTHER AGENCY INVOLVEMENT:

During fiscal year 2018-19, the administrative oversight and management of the contract, along with its budget, was transferred from the Auditor-Controller’s Office (ACO) to the County Administrative Office (CAO). Based on mutual agreement of ACO and CAO teams, the management of the contract is being transferred back to the ACO as of fiscal year 2023-24 to restore process efficiencies. Contracts and Purchasing Officer’s input was received on requested extension of the contract.

The Office of the County Counsel and Auditor-Controller have reviewed and approved as to legal form and fiscal provisions, respectively.

FINANCING:

Funding for the proposed amendment is included in the ACO’s FY 23-24 Recommended Budget. No additional impact to the general fund is anticipated with this action.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Performing mandated audits within the County aligns with the Board of Supervisors strategic initiative of efficient, effective, and transparent government operations.

Mark a check to the related Board of Supervisors Strategic Initiatives

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

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Attachments: Amendment No. 3; Amendment No. 2; Amendment No. 1; CliftonLarsonAllen LLP Agreement