

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
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**Agenda Number:**  
**Prepared on:** 5/23/02  
**Department Name:** Auditor-Controller  
**Department No.:** 061  
**Agenda Date:** 6/4/02  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Robert W. Geis, CPA  
Auditor-Controller

**STAFF CONTACT:** Mike Struven  
Financial Reporting Division Chief

**SUBJECT:** Authority to approve overages in contract with KPMG and Stoltey CPAs

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## **Recommendation(s):**

That the Board of Supervisors:

- A) Amend the contract with the joint venture of KPMG LLP and Stoltey CPAs (a local vendor) to include audit work on OCJP/DOJ grants for an additional \$5,000 per year.
- B) Grant authority to the Auditor-Controller to authorize payments on the contract with the joint venture of KPMG LLP and Stoltey CPAs (a local vendor) up to 10% over the contract amount. The contract amounts, as amended by Recommendation (A), for audit services concerning fiscal year 2001-02 and 2002-03 are \$97,000 and \$100,000, respectively. Approval of this recommendation would grant authority to the Auditor-Controller to authorize payments up to an additional \$9,700 and \$10,000.

## **Alignment with Board Strategic Plan:**

*{Double-click here}* The recommendation(s) are primarily aligned with Goal No. 3. A Strong, Professionally Managed County Organization.

## **Executive Summary and Discussion:**

Recent guidelines for conducting audits published by Government Accounting Office (GAO) limit the Auditor-Controller's ability to conduct audits on County programs funded by State or Federal grants. This amendment enlarges the scope of services in the County's current contract with the joint venture of KPMG LLP and Stoltey CPAs (a local vendor) to perform the County's financial audit, the Single Audit, and the Santa Barbara County's Redevelopment Agency financial and compliance. Section 3 of the contract specified the scope of services. This amendment adds audit work on OCJP/DOJ grants, which was

previously conducted by the Internal Audit Division of the Auditor-Controller's office, to the scope of services for an additional \$5,000 per fiscal year.

Section 3 of the contract specified the scope of services and made provision for adjusting the maximum fee in the event of circumstances which required additional services beyond the normal scope of auditing services. The implementation of GASB 34 will require services beyond the specified the scope of services. This recommendation grants authority to the Auditor-Controller to authorize payments for such services within the terms of the contract.

**Mandates and Service Levels:**

Government Code Section 25250, Health and Safety Code 33080, Penal Code Sections 925 and 926

**Fiscal and Facilities Impacts:**

Recommendation (a) will result in additional general fund expenditures of \$5,000 in 2002-03 and \$5,000 in 2003-04 in department 061, program 2010, account 7324.

Recommendation (b) may result in additional general fund expenditures of \$9,700 in 2002-03 and \$10,000 in 2003-04 in department 061, program 2010, account 7324.

Payments on this contract are budgeted as services and supplies in the Financial Reporting Cost Center (page D-322 in the Proposed Budget).

**Special Instructions:**

**Concurrence:**

none