



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Auditor-Controller
Department No.: 061
For Agenda Of: 05/17/2022
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Betsy M. Schaffer, CPA, CPFO
Director(s)
Contact Info: Juan Izquierdo, CPA x2134

SUBJECT: Amendment No. 2 to the Contract with Eide Bailly LLP for County's Annual Financial Audits

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute Amendment No. 2 to the contract with Eide Bailly LLP ("Eide Bailly") [not a local vendor] in the amount of \$12,000 to revive the contract and extend the term to May 31, 2022 and to perform the following audit services, for the fiscal year 2020-21:
 - i. Provide additional Single Audit Major Program testing services.
- b) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(5), because they are government fiscal activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

Summary Text:

The current contract with Eide Bailly began with the fiscal year 2019-20 audits, and contained two options to renew for the fiscal year 2020-21 and fiscal year 2021-22 audits. With this amendment, the contract price of \$157,000 for fiscal year 2020-21 increases by \$12,000 from the fiscal year 2019-20 contract price, as does their scope of services. The price includes audits of the County, the Treasury audits, and the County's First 5 Commission.

State law requires that every Board of Supervisors cause an audit of the County’s financial accounts and records (Govt. Code section 25250). State law also requires that every county First 5 Commission have an audit conducted and a report issued (Health & Safety Code section 130150) on or before October 15. Additionally, Government Code Section 26920(b) and Section 27134 require that financial and compliance audits of the assets in the County Treasury be performed. The Federal Office of Management and Budget provides guidance on required “Single Audits.”

Background:

After completing a formal request for proposal process in 2020, the County awarded a contract to Eide Bailly to perform audit services for fiscal year 2019-20 with two options to renew for the same cost and terms for the fiscal year 2020-21 and 2021-22 audits. The County being satisfied with the independent audit services provided by Eide Bailly, retained their services by exercising the first option to renew the contract for the fiscal year 2020-21 audits.

The Board previously authorized the Auditor-Controller to approve change orders for up to two additional Single Audit Major Programs of \$6,000 each, if identified, that exceed the six included in the Single Audit base amount for a total contract amount not to exceed \$157,000. During the 2020-21 audit, it was determined that additional Single Audit Major Program testing services were required at a cost of \$12,000. The County wishes to amend the contract for the additional Single Audit Major Program testing services for \$12,000, for a total contract amount of \$157,000, for the 2020-21 audit period and to extend the 2020-21 contract end date from February 15, 2022 to May 31, 2022.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

		<i>Original Contract</i>	<i>AMEND. No. 1 & 2</i>
<u>Funding Sources</u>	<u>Audit</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>
General Fund	Annual Financial Audit	\$ 70,000.00	\$ 70,000.00
General Fund	Single Audit*	53,000.00	65,000.00
General Fund	Treasury Audit	10,000.00	10,000.00
First 5	First 5 Audit	12,000.00	12,000.00
Total		\$ 145,000.00	\$ 157,000.00

*Original contact assumed no more than six (6) major programs.

The contract amount for the audits for fiscal year ending June 30, 2021 is \$157,000 and covers the County, Treasury, and First 5. The timing of the audit work spans two fiscal years. Approximately 35% of the General Fund costs are reimbursable through the Cost Allocation Plan from state and federal programs.

Key Contract Risks:

This contract has been determined to be a medium risk contract by the Auditor-Controller’s Office. Based on subjective and actual criteria factors, there were no specific areas of high risk. The factors reflecting medium risk include: 1) a fixed price contract, 2) limited number of bidders that responded in the competitive acquisition process for the service, 3) a moderately visible, sensitive, or controversial contract subject, and 4) a requirement for limited access to secure information. All other risk factors were determined to be low risk.

Performance Measures:

1. Publish the County's Comprehensive Annual Financial Report (CAFR) within 60 days of fiscal year end.
2. Receive an unmodified opinion on the County's audited financial statements.
3. Receive the Government Finance Officers Association award for excellence on the County's CAFR.

Special Instructions:

Please return one (1) copy of fully signed Amendment No. 2 to the Auditor-Controller's Office.

Attachments:

- A. Amendment No. 2 to Contract No. BC-20-040
- B. Amendment No. 1 to Contract No. BC-20-040
- C. Contract No. BC-20-040

Authored by:

Juan Izquierdo, Financial Reporting, Budget, & Cost Division Chief (568-2134)

CC:

First 5

Treasurer-Tax Collector