

**Memorandum  
Office of the Auditor-Controller  
County of Placer**

**TO:** Board of Supervisors

**FROM:** Katherine J. Martinis, Auditor-Controller 

**DATE:** June 7, 2011

**SUBJECT:** Countywide Audit Services - Contract Amendment #2

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**ACTION REQUESTED**

Approve contract amendment #2 of \$50,425 to a new maximum amount of \$643,167 for Contract No. 000720 with Macias, Gini & O'Connell, CPAs to provide additional auditing services for the Placer Mosquito and Vector Control District and American Accountability and Recovery Act (ARRA), and authorize the Purchasing Manager to sign the required documents.

**BACKGROUND**

At the request of the Placer County Auditor-Controller, RFP No. 9881 solicited proposals from qualified firms to perform the annual Countywide audits for the Placer County Auditor-Controller, in accordance with auditing standards generally accepted in the United States of America and as included in the *Statements of Auditing Standards*, published by the American Institute of Certified Public Accountants, *Government Auditing Standards*, published by the Comptroller General of the United States, Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Institutions*, California Government Code Section 25250, California Penal Code Section 925, and other applicable laws and regulations as stated in the request for proposal.

On May 12, 2009, the Board of Supervisors approved the 3 year contract for \$543,317. During the fiscal year ended June 30, 2010, we became aware of the need to audit two additional financing authorities. Also, additional audit fees were going to be incurred by the external auditors related to the County's annual Single Audit as a result of 2 additional major programs that needed to be audited in accordance with provisions of the American Accountability and Recovery Act (ARRA). Accordingly, the Purchasing Manager approved amendment #1 to the contract in the amount of \$49,425, for a new not-to-exceed total of \$592,742.

During the fiscal year ended June 30, 2011, the Placer Mosquito and Vector Control District asked the Auditor-Controller to obtain a fee quote from the external auditors for

conducting their stand-alone audits for the years ended June 30, 2010 and 2011. The proposed audit fee is \$17,425. In addition, the external auditors were required to audit 6 additional major programs in accordance with ARRA provisions, for a grand total of \$33,000. These 2 changes represent an increase to the current contract of \$50,425. This amendment requires Board Approval.

#### **FISCAL IMPACT**

The Auditor-Controller has assured that there are sufficient funds within their own budget for the current fiscal year to support these services. In addition, the District and certain County departments that claim grant costs will be reimbursing the Auditor-Controller for these additional audit fees.

cc: Jim Boggan, Purchasing Manager