



# COUNTY OF HUMBOLDT

For the meeting of: 3/1/2022

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File #: 22-155

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**To:** Board of Supervisors

**From:** Auditor-Controller

**Agenda Section:** Departmental

**SUBJECT:**

Amended Engagement Letter with CliftonLarsonAllen LLP Regarding the Provision of External Audit Services for Fiscal Year 2019-2020

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Accept a presentation from the Humboldt County Auditor-Controller's Office regarding the performance of transaction and year-end reconciliations for fiscal year 2019-2020;
2. Approve, and authorize the Chair of the Board to execute, the attached engagement letter with CliftonLarsonAllen LLP regarding the provision of external audit services for fiscal year 2019-2020;
3. Authorize the Humboldt County Auditor-Controller, or a designee thereof, to execute any and all additional engagement letters, professional services agreements and other documents directly related to the provision of external audit services for fiscal year 2019-2020, after review and approval by County Counsel, Risk Management and the County Administrative Office;
4. Adopt the attached supplemental budget for FY 2021-22 in the amount of \$12,000 (4/5 vote required); and
5. Direct the Clerk of the Board to return one (1) original executed copy of the attached engagement letter with CliftonLarsonAllen LLP to the Humboldt County Auditor-Controller's Office for further processing.

**SOURCE OF FUNDING:**

General Fund

**DISCUSSION:**

Each year, the County of Humboldt contracts with a certified public accounting firm to conduct an audit of the County of Humboldt's finances and to prepare the associated financial statements, reports and schedules required by federal agencies and the single audit. CliftonLarsonAllen LLP ("CLA") performed an audit of the County of Humboldt's finances for fiscal year 2018-2019 and has performed significant work related to the audit for fiscal year 2019-2020. Completion of the fiscal year 2019-2020 audit was delayed due to several factors including, but not limited to, the coronavirus pandemic, staff turnover across departments and inadequate staffing in the Auditor-Controller's Office. CLA has

continued to work on the fiscal year 2019-2020 audit and has submitted the attached engagement letter to extend the terms of their engagement to reflect the additional time taken as well as increase the quoted price to reflect the additional fieldwork CLA is performing.

Given the progress that has been made and the appropriate quoted pricing, the Auditor-Controller's Office recommends that the Board approve, and authorize the Chair of the Board to execute, the attached engagement letter with CLA regarding the provision of external audit services for fiscal year 2019-2020. It is also recommended that the Board authorize the Humboldt County Auditor-Controller, or a designee thereof, to execute any and all additional engagement letters, professional services agreements and other documents directly related to the provision of external audit services for fiscal year 2019-2020, after review and approval by County Counsel, Risk Management and the County Administrative Office, in order to avoid any additional delays in completing the fiscal year 2019-2020 audit.

FINANCIAL IMPACT:

The original cost of engaging in this audit has already been budgeted for within the Board of Supervisors budget unit within fiscal year 2020-2021. Approval of the attached engagement letter with CLA will result in an additional cost to the General Fund of Twelve Thousand Dollars (\$12,000.00). This amount can be redirected to the Board of Supervisors budget unit from unspent appropriations across the General Fund or as a transfer from the Tax Loss Reserve Fund.

STRATEGIC FRAMEWORK:

The recommended actions support the Board of Supervisors' Strategic Framework by enforcing laws and regulations to protect residents.

OTHER AGENCY INVOLVEMENT:

Dependent Special Districts of the Humboldt County Board of Supervisors

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to approve the attached engagement letter with CLA regarding the provision of external audit services for fiscal year 2019-2020. This alternative is not recommended since CLA has already completed a majority of the audit work and it is in the County's best interest to complete the fiscal year 2019-2020 audit as soon as possible.

ATTACHMENTS:

1. Amended Engagement Letter with CliftonLarsonAllen LLP Regarding the Provision of External Audit Services for Fiscal Year 2019-2020 dated January 24, 2022
2. Supplemental Budget Amendment for \$12,000

PREVIOUS ACTION/REFERRAL:

Board Order No.: L-3

Meeting of: March 2, 2021

File No.: 21-263