



NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: March 12, 2024

TO: Board of Supervisors

FROM: Gina Will, Auditor-Controller

SUBJECT: Resolution authorizing execution of a contract with Lance, Soll & Lunghard, LLP (LSL) for services pertaining to County Audits for Fiscal Years ending June 30, 2024 through June 30, 2028 and directs the Auditor-Controller to amend the fiscal year 2023/24 budget by \$37,500 (requires 4/5 affirmative vote)

RECOMMENDATION: Adopt the Resolution

FUNDING: Funding for the audit of the Annual Comprehensive Financial Reports (ACFR) and Single Audit are in each annual budget. However, as the engagement of a new audit firm requires time to provide all policies and procedures as well as to familiarize them with County internal controls, we propose to start the audit in April in order to issue the 2023/24 ACFR timely. This will require an amendment to the 2023/24 general fund budget of \$37,500.

BACKGROUND: In October 2023, the County issued an RFP for five years of professional audit services. The County received three proposals (including the incumbent). The selection committee made of members of the Auditor-Controller's office, the County Executive Office, and the Audit Committee carefully evaluated all proposals on the basis of experience and qualifications of the firm, experience and qualifications of proposed staff, and on their proposed project plan. Lance, Soll, & Lunghard, LLP (LSL) was selected as a result of this process.

LSL is a highly reputable and professional firm with 95 years of experience. They specialize in government audits and compliance requirements. They have several offices in California, and our relationship will be managed out of their Sacramento office.

The Auditor-Controller wishes to formally recognize CliftonLarsonAllen, LLP for their many years of audits and expertise. They have completed annual audits since 2014 and are currently completing the audit of the 2022/23 ACFR. The Auditor-Controller and Audit committee have been completely satisfied with their performance, but it is a best practice to rotate the audit engagement every 7 to 10 years in order to bring fresh perspective and insight to the County's financial management practices.

Upon selection, the Auditor-Controller began negotiations with LSL for five years of audit services. LSL agreed to no rate increase for the first three years followed by two years of a 3% increase. The proposed contract includes the audit of 7 major programs for the Single Audit over federal grants. It also includes a 3% contingency each year for unforeseen specialized services.

The Audit Committee, the Auditor-Controller and the County Executive Officer recommend engaging LSL for audits of the ACFR, Single Audit, Appropriations Limit Calculation, Finance Authority, and Sanitation District for the fiscal years ending June 30, 2024 through June 30, 2028. This multi-year contract beginning April 1, 2024 and terminating June 30, 2029 in an amount not to exceed \$568,881 is broken down as follows:

FYE 23/24 Audits	\$111,745
FYE 24/25 Audits	\$111,745
FYE 25/26 Audits	\$111,745
FYE 26/27 Audits	\$115,096
FYE 27/28 Audits	\$118,550

Thank you for your consideration of this important contract.

Initiated and approved by: Gina Will, Auditor-Controller

Submittal Date: February 28, 2024