

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

601



FROM: County Auditor-Controller

SUBMITTAL DATE:
December 19, 2003

SUBJECT: First Amendment to Professional Agreement for Fiscal Year 2002/2003 Audits.

RECOMMENDED MOTION: Approve the first amendment to the Professional Services Agreement between the County and Macias, Gini and Company, LLP for audit services for FY 2002/03; and authorize the Chairman to sign said agreement on behalf of the County.

BACKGROUND: Based on professional accounting standards, the County must prepare and have its annual financial report audited to include the County of Riverside and all its funds. Macias, Gini and Company LLP was contracted in accordance with a Board of Supervisors minute order (Agenda item 3.26, dated April 25, 2000) to perform the countywide financial audit for a four-year period with compensation limited to annual increases not to exceed the Consumer Price Index.

(Continued on Page 2)

FORM APPROVED
COUNTY COUNSEL

DEC 19 2003

BY Joe S. Dal
ASSISTANT COUNTY COUNSEL

Robert E. Byrd
Robert E. Byrd
County Auditor-Controller

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 33,184	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 33,184	Budget Adjustment:	No
	Annual Net County Cost:	\$ 28,029	For Fiscal Year:	2003/04

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE.

County Executive Office Signature

Quinn C. Hardin

Dept't Recomm.: Policy
Per Exec. Ofc.: Policy
 Consent
 Consent

Prev. Agn. Ref.: | District: | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.3

Form 11:

COUNTY AUDITOR CONTROLLER

SUBJECT: First Amendment to Professional Agreement for Fiscal Year 2002/2003 Audits.

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BACKGROUND CONTINUED:

As detailed in the attachment, an additional cost of \$33,184 consisting of \$28,029 for supplementary audit services are required for the County's ongoing implementation of the reporting requirements under GASB 34, 37, and 38, for the fiscal year ending June 30, 2003 and a one time cost of \$5,155 is for a review of internal controls over the County's new reporting system.

Statement No. 34 of the Governmental Accounting Standards Board (GASB) – Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34) was issued in its final form in June 1999. However, the full implications of the implementation issues were not immediately known for the following reasons:

1. The Governmental Accounting Standards Board issued two implementation guides in April 2000 and December 2001, respectively. These guides helped financial report preparers with practical "real world" questions in the actual CAFR preparation in accordance with GASB 34. Until that point, only the Statement itself was available.
2. The actual audit implications were not definitively known until the AICPA issued its revised "Audits of State and Local Governments (GASB 34 Edition) in September 2002. This guide clarifies the reporting and opinion units of a governmental CAFR, which directly relates to the revised scope of audit services that a firm must provide when auditing a governmental entity.
3. GASB itself issued amendments to GASB 34 after June 1999, as evidenced by the issuance of GASB 37 and GASB 38.

This amendment has been approved as to form by the Riverside County Counsel.

FINANCIAL DATA:

The Department will use its current professional services budget to cover these costs.

Attachment