

864

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



FROM: Executive Office

SUBMITTAL DATE:
September 20, 2005

SUBJECT: Approval of Amendment No. 2 to Agreement with Vavrinek, Trine, Day & Co., LLP, for Auditing Services

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve and authorize the Chairman to execute Amendment No. 2 to the County's agreement with Vavrinek, Trine, Day & Co., LLP, for external auditing services, increasing the agreement by an amount not to exceed \$500,000 annually (Attachment A); and,
- 2) Approve and direct the Auditor-Controller to make the budget adjustments on Schedule A, attached.

BACKGROUND: On July 26, 2005, the Board of Supervisors directed the Executive Office to procure services for independent auditing of the County's tax apportionments. The Executive Office considered the options, and recommends expanding the scope of the County's current external auditor, Vavrinek, Trine, Day & Co., LLP (VTD). Their contract was recently awarded in 2004, and their rates reflect currently competitive pricing. In addition, it makes the most sense to streamline the County's external auditing functions under one agreement for such services, both now and in the future. The firm estimates costs for these services between \$300,000 and \$500,000, depending on the ultimate complexity of the work, and the resources required to perform the level of work necessary to achieve the Board's objectives. VTD will perform a two-phase examination and analysis of the controls and objectives of the tax apportionment system and recommend remediation as required. The result of the analysis will be a template for validation of the tax apportionments.

Denise C. Harden

 Denise C. Harden, Principal Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 500,000	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 500,000	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 500,000	For Fiscal Year:	2006

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

C.E.O. RECOMMENDATION: APPROVE.

County Executive Office Signature *Bill Leno*

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, Auditor-Controller
 BY *Robert E. Byrd* 9/20/05
 Deputy

Dept's Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 04/13/04 #3.22
 02/15/05 #3.28
 07/26/05 #3.3

District: _____ **Agenda Number:** _____
**ATTACHMENTS FILED
 WITH THE CLERK OF THE BOARD**

3.5

Schedule A

Decrease Appropriations:

10000-1109000000-581000	Appropriations for Contingency	\$500,000
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Increase Appropriations:

10000-1102900000-524560	Auditing Services	\$500,000
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