

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

191



**FROM:** County Auditor-Controller

**SUBMITTAL DATE:**  
June 8, 2011

**SUBJECT:** Amendment No. 2 to the agreement with Brown Armstrong Accountancy Corporation for the Single Audit Report for Fiscal Year ending June 30, 2010.

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify the attached Amendment No. 2 to the agreement between the County of Riverside and Brown Armstrong Accountancy Corporation in the amount of \$32,000;
2. Authorize the Chairman to sign four (4) copies of the attached agreement; retain one (1) copy of the signed agreement and return three (3) copies to the Auditor-Controller for distribution; and
3. Authorize and direct the Auditor-Controller to adjust the budget as identified.

**BACKGROUND:** Brown Armstrong is contracted to perform a services agreement for auditing of the Comprehensive Annual Financial Report (CAFR) and Single Audit Act programs. Amendment No. 2 is required to recognize and compensate Brown Armstrong for an equitable adjustment related to unforeseen audit hours required to comply with terms of the American Recovery and Reinvestment Act (ARRA). Under section 4.1 (Page 5 of 26) of the ACARC-94620-001-05/10 contract, equitable adjustments can be made by the Board for unforeseen requirements.

*Paul Angulo*

Paul Angulo, CPA, MA  
County Auditor-Controller

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 32,000	In Current Year Budget:	NO
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	YES
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011

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

**C.E.O. RECOMMENDATION:** APPROVE

BY: *Karen L. Johnson*  
Karen-L. Johnson

**County Executive Office Signature**

- Policy
- Policy
- Consent
- Consent

Dept't Recomm.: \_\_\_\_\_ Per Exec. Ofc.: \_\_\_\_\_

**Prev. Agn. Ref.:** \_\_\_\_\_ **District:** ALL **Agenda Number:** 3.19

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL BY *DALE A. GARDNER* DATE 6/25/11 Departmental Confidential

County Auditor-Controller

Amendment No. 2 to the agreement with Brown Armstrong Accountancy Corporation for the Single Audit Report for Fiscal Year ending June 30, 2010.

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The contract was written for 8 programs under the Single Audit Act. ARRA expanded the scope requirement by 9 additional programs for a total of 17 programs and total funding of \$9M in the last fiscal year. The costs associated with auditing the programs and the additional ARRA funding are required to receive the grants and can be passed through to the programs for reimbursement.

The contract terms will be adjusted to include up to 12 grant programs (up from 8) for the same audit fees that exist currently due to the learning curve and economies of scale for the program audits

Increase Appropriations:

10000-1300100000-524560	Auditing and Accounting	\$ 32,000
10000-1300100000-572800	Intra – Miscellaneous	<u>&lt; 32,000 &gt;</u>
	Total	0

**ATTACHED:**

1. Amendment No. 2 to the agreement with Brown Armstrong Accountancy Corporation
2. Letter from Brown Armstrong outlining additional scope.

**COUNTY OF RIVERSIDE  
AMENDMENT NO. 2 TO THE AGREEMENT  
WITH  
BROWN ARMSTRONG ACCOUNTANCY CORPORATION**

**CONTRACTOR:** Brown Armstrong Accountancy Corporation  
Contract Term: July 1, 2009 through June 30, 2014  
Effective Date of Amendment: May 12, 2011  
Contract ID: ACARC-94620-001-06/10

The Agreement between Riverside County, herein referred to as COUNTY and Brown Armstrong Accountancy Corporation, herein referred to as CONTRACTOR, is amended as follows:

1. On page 3 of the Agreement, amend Section 3 the "Compensation": The COUNTY agrees to pay CONTRACTOR for services performed at a rate not to exceed two hundred forty seven thousand dollars (\$247,000.00.) Year 2, including all expenses, based on the availability of fiscal funding.
2. On page 24 of the Agreement, amend Exhibit B the "Payment Provisions": Year 3, Item 1; County CAFR Single Audit- Up to 12 Programs.
3. On page 25 of the Agreement, amend Exhibit B the "Payment Provisions": Year 4, Item 1; County CAFR Single Audit- Up to 12 Programs.
4. On page 26 of the Agreement, amend Exhibit B the "Payment Provisions": Year 5, Item 1; County CAFR, Single Audit- Up to 12 Programs.
5. All other terms and conditions of the Agreement are to remain unchanged.

**IN WITNESS WHEREOF**, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

County  
Board of Supervisors  
County Administration Center  
4080 Lemon Street, 4<sup>th</sup> Floor  
Riverside, CA 92501

Contractor  
Brown Armstrong Accountancy Corporation  
4200 Truxtun Avenue, Suite 300  
Bakersfield, CA 93309

By: \_\_\_\_\_  
Name: Bob Buster  
Title: Chairman of the Board of Supervisors  
Date: \_\_\_\_\_

By: Eric Xian  
Name: Eric Xian  
Title: PRINCIPAL  
Date: 6-2-2011

FORM APPROVED COUNTY COUNSEL  
BY: Dale A. Gardner 6/20/11  
DALE A. GARDNER DATE