

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



**ITEM: 3.5**  
(ID # 12933)

**MEETING DATE:**  
Tuesday, July 07, 2020

**FROM:** COUNTY COUNSEL:

**SUBJECT:** COUNTY COUNSEL: Adoption of Resolution No. 2020-168 Approving the Coachella Valley Resource Conservation District's Request to Replace the Annual Audit Requirement Pursuant to Government Code Section 26909 with a Biennial Audit Requirement. Unanimous Vote Required. District 4 [\$0]

**ACTION:**

  
\_\_\_\_\_  
Gregory L. Priamos, Director County Counsel 6/24/2020

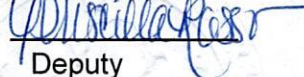
---

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Hewitt, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: July 07, 2020  
xc: CoCo

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<b>NET COUNTY COST</b>	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<b>SOURCE OF FUNDS:</b> N/A			<b>Budget Adjustment</b>	No
			<b>For Fiscal Year:</b>	N/A

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

CVRCD is a resource conservation district. In compliance with Government Code section 26909, CVRCD has been having prepared an annual audit of its accounts and records and provides such annual audit to the County Auditor-Controller. CVRCD has four consecutive years of unqualified audit opinions, and the cost of the annual audit is expensive for a small district and continues to increase.

Pursuant to Government Code Section 26909(b)(3), a special district such as CVRCD may, by unanimous request of its Board of Directors and with the unanimous approval of the County Board of Supervisors, replace the annual audit requirement with an audit conducted at specific intervals, as recommended by the County Auditor, to be completed at least once every five years.

The CVRCD Board of Directors proposes replacing CVRCD's annual audits with biennial audits.

Subject to the County Board of Supervisor's unanimous approval, on June 17, 2020, the CVRCD Board of Directors unanimously approved Resolution No. 2020-02 to replace the annual audit requirement with a biennial audit and to request the Board of Supervisor's approval of the same.

CVRCD has communicated with the Office of County Auditor-Controller regarding this proposal, and the Office of County Auditor-Controller does not object as long as the resolution before the Board of Supervisors requires CVRCD to revert back to an annual audit if CVRCD receives anything other than an unqualified audit opinion or if CVRCD fails to have the biennial audit in the fiscal year in which it is due. These requirements have been incorporated into the attached Board of Supervisors' Resolution No. 2020-168.

CVRCD requests that the Board of Supervisors unanimously approve the replacement of CVRCD's annual audit requirement as specified above.

**Impact on Residents and Businesses**

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

N/A

**Additional Fiscal Information**

N/A

**ATTACHMENTS:**

- A. Board of Supervisors Resolution No. 2020-168
- B. CVRCD Resolution No. 2020-02

  
\_\_\_\_\_  
Gregory V. Priamos, Director County Counsel      6/24/2020

1 RESOLUTION NO. 2020-168

2 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
3 COUNTY OF RIVERSIDE APPROVING THE COACHELLA VALLEY  
4 RESOURCE CONSERVATION DISTRICT'S REQUEST TO REPLACE  
5 THE ANNUAL AUDIT PURSUANT TO GOVERNMENT CODE  
6 SECTION 26909 WITH A BIENNIAL AUDIT

7  
8 WHEREAS, the Coachella Valley Resource Conservation District ("CVRCD") is a  
9 resource conservation district created and authorized pursuant to California Public Resources Code  
10 section 9001 et seq. and located entirely within the County of Riverside ("County"); and

11 WHEREAS, in compliance with Government Code section 26909, CVRCD gets prepared  
12 an annual audit of its accounts and records, which are provided to the County Auditor-Controller; and

13 WHEREAS, pursuant to Government Code section 26909(b)(3), a special district such as  
14 CVRCD may, by unanimous request of the governing board of the special district and with unanimous  
15 approval of the County Board of Supervisors, replace the annual audit required under Government Code  
16 section 26909 with an audit conducted at specific intervals, as recommended by the County auditor, to be  
17 completed at least once every five years; and

18 WHEREAS, CVRCD has four consecutive years of unqualified audit opinions; and

19 WHEREAS, the audits are expensive, and their costs have continued to increase over time;  
20 and

21 WHEREAS, the Board of Directors therefore proposes replacing the District's audits  
22 occurring annually and instead proposes preparing and providing the County Auditor-Controller, and any  
23 other agency requiring such information, with an audit to take place biennially; and

24 WHEREAS, the District has communicated with the Office of the County Auditor-  
25 Controller about the proposal, and the County Auditor-Controller's office does not object to this change  
26 as long as the resolution before the Board of Supervisors requires the District to revert back to an annual  
27 audit if the District receives anything other than an unqualified audit opinion or if the District fails to have  
28 the biennial audit in the fiscal year in which it is due; and

1           WHEREAS, in the event the County Auditor-Controller expresses concerns regarding  
2 issues within the compilations or finds anomalies of financial concerns with the submitted records at any  
3 time, the County Auditor-Controller can order an immediate audit of any CVRCD financial records  
4 pursuant to Government Code Section 26910; and

5           WHEREAS, on June 17, 2020, CVRCD Board of Directors unanimously approved  
6 CVRCD Resolution No. 2020-02, Resolution of the Coachella Valley Resource Conservation District  
7 Approving the Replacement of the Annual Audit Requirement Pursuant to Government Code Section  
8 26909 with a Biennial Audit and Requesting Riverside County Board of Supervisors' Approval of Same  
9 ("CVRCD Resolution No. 2020-02"); and

10           WHEREAS, CVRCD Resolution No. 2020-02 requests the County Board of Supervisors  
11 unanimously approve the replacement of CVRCD's annual audit under Government Code section 26909  
12 as specified in such Resolution; now, therefore

13           BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of  
14 Riverside, State of California, in regular session assembled on July 7, 2020, that the Board of Supervisors  
15 unanimously approves CVRCD's request to replace its annual audit under Government Code section  
16 26909 with a biennial audit unless and until CVRCD receives anything other than an unqualified audit  
17 opinion or CVRCD fails to have the biennial audit in the fiscal year in which it is due, in which case  
18 CVRCD shall revert back to an annual audit requirement; and

19           BE IT FURTHER RESOLVED AND ORDERED that this Resolution shall take effect  
20 immediately upon its adoption.

2 **RESOLUTION 2020-168**

3 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF**  
4 **RIVERSIDE APPROVING THE COACHELLA VALLEY RESOURCE**  
5 **CONSERVATION DISTRICT'S REQUEST TO REPLACE THE ANNUAL AUDIT**  
6 **PURSUANT TO GOVERNMENT CODE SECTION 26909 WITH A BIENNIAL AUDIT**

7 ADOPTED by Riverside County Board of Supervisors on JULY 7, 2020.

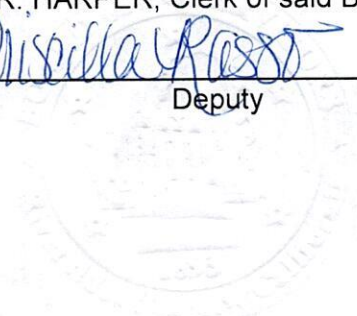
8 ROLL CALL:

9 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
10 Nays: None  
11 Absent: None

12  
13 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of  
14 Supervisors on the date therein set forth.

15 KECIA R. HARPER, Clerk of said Board

16 By: *Priscilla Pardo*  
17 Deputy



18  
19  
20  
21  
22  
23 07.07.2020 3.5  
24  
25

1 RESOLUTION NO. 2020-02

2 A RESOLUTION OF THE COACHELLA VALLEY RESOURCE  
3 CONSERVATION DISTRICT APPROVING THE REPLACEMENT  
4 OF THE ANNUAL AUDIT REQUIREMENT PURSANT TO  
5 GOVERNMENT CODE SECTION 26909 WITH A BIENNIAL AUDIT  
6 AND REQUESTING RIVERSIDE COUNTY  
7 BOARD OF SUPERVISORS' APPROVAL OF SAME  
8

9 WHEREAS, the Coachella Valley Resource Conservation District ("the District") is a  
10 resource conservation district created and authorized pursuant to Public Resources Code section 9001 et  
11 seq.; and

12 WHEREAS, in compliance with Government Code section 26909, the District has  
13 prepared an annual audit of its accounts and records, which is provided to the Riverside County  
14 ("County") Auditor-Controller; and

15 WHEREAS, pursuant to Government Code section 26909, a special district such as the  
16 District may, by unanimous request of the governing board of the special district and with unanimous  
17 approval of the County Board of Supervisors, replace the annual audit required under Government Code  
18 section 26909 with an audit conducted as specific internals, as recommended by the County auditor, to be  
19 completed at least once every two years; and

20 WHEREAS, the District has four consecutive years of unqualified audit opinions; and

21 WHEREAS, the audits are expensive and their costs have continued to increase over time;  
22 and

23 WHEREAS, the Board of Directors therefore proposes replacing the District's annual  
24 audits and instead proposes preparing and providing the County Auditor-Controller, and any other agency  
25 requiring such information, with an audit to take place biennially; and

26 WHEREAS, the District has communicated with the Office of the County Auditor-  
27 Controller about the proposal, and the County Auditor-Controller's office does not object to this change  
28 as long as the resolution before the Board of Supervisors requires the District to revert back to an annual

1 audit if the District receives anything other than an unqualified audit opinion or if the District fails to have  
2 the biennial audit in the fiscal year in which it is due; and

3 WHEREAS, in the event the County Auditor-Controller expresses concerns regarding any  
4 issues relating to the District or finds any anomalies with any of the District's submissions, the County  
5 Auditor-Controller can also order an immediate audit of the District's financial records.

6 BE IT RESOLVED AND ORDERED by the Board of Directors of the Coachella Valley  
7 Resource Conservation District on this 17<sup>th</sup> day of June 2020, as follows:

- 8 1. That the recitals are true and correct, and incorporated in this Resolution.
- 9 2. That it is in the best interests of the District to change its audit requirements.
- 10 3. Subject to unanimous approval of the County Board of Supervisors, the Board of  
11 Directors replaces its annual audit with a biennial audit.
- 12 4. To the extent the District receives anything other than an unqualified audit opinion  
13 or the District fails to have the biennial audit in the fiscal year in which it is due,  
14 the District will revert back to annual audits.
- 15 5. To the extent the County Auditor-Controller expresses concerns regarding the  
16 District's financial records or other financial information and orders an audit of the  
17 District's financial records in addition to what would be required under this  
18 resolution, the District will have prepared and provide such audit in a timely  
19 manner.
- 20 6. A copy of this Resolution shall be forwarded to the Riverside County Board of  
21 Supervisors for consideration of and action upon the District's request at a  
22 forthcoming regular meeting of the Board of Supervisors.
- 23 7. The audit changes acted upon above shall go into effect immediately upon the  
24 unanimous approval of the County Board of Supervisors.




1 UNANIMOUSLY ADOPTED by the Board of the Coachella Valley Resource  
2 Conservation District this 17<sup>th</sup> day of June 2020.

3  
4 

5 \_\_\_\_\_  
6 Board President, Robert Wright  
7 Coachella Valley Resource Conservation District

8 ATTEST:  
9 DISTRICT SECRETARY

10 By:   
11 \_\_\_\_\_  
12 YVONNE FRANCO  
13 Coachella Valley Resource Conservation District

14 APPROVED AS TO FORM:  
15 Date: 6-17-2020

16 GREGORY P. PRIAMOS,  
17 COUNTY COUNSEL/DISTRICT COUNSEL

18   
19 By: \_\_\_\_\_  
20 MELISSA R. CUSHMAN  
21 Deputy County Counsel  
22  
23  
24  
25  
26  
27  
28