

JEFFERY S. BURGH
AUDITOR-CONTROLLER

COUNTY OF VENTURA
800 SOUTH VICTORIA AVE.
VENTURA, CA 93009-1540



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June 03, 2025

County of Ventura Board of Supervisors

SUBJECT: Approval of the Audit Agreement with Eide Bailly, LLP, in an amount not to exceed \$398,400 for the Independent Annual Single Audit, Authorization of the Auditor-Controller to Approve Amendments of the Audit Agreement Subject to Conditions, and Approval of the Business Associate Agreement with Eide Bailly, LLP. **RECOMMENDATION NO. 4 REQUIRES 4/5THS VOTE** (Levine Act Item)

RECOMMENDATIONS:

1. Approve the enclosed agreement ("Audit Agreement") with Eide Bailly, LLP ("EB"), at a total cost not-to-exceed \$398,400 for the independent annual Single Audit, Gann Calculation, Audit of Treasury Assets and other audit procedures and services for the fiscal year (FY) ending June 30, 2025.
2. Authorize the Auditor-Controller to approve amendments to the Audit Agreement due to changes in the scope of services and/or irregularities or unforeseen conditions requiring additional audit procedures and to increase the contract cost up to 10% of the original Audit Agreement amount.
3. Approve the enclosed Business Associate Agreement with EB in connection with the performance of the Audit Agreement.
4. Authorize the Auditor-Controller to process the accounting transactions necessary to revise appropriations as follows (requires 4/5ths vote):

Increase	1500-1540	Services and Supplies	\$85,116
Decrease	DIV 1100	General Fund Contingency	\$85,116

FISCAL IMPACT:

	FY 2024-2025	FY 2025-2026
Revenues	\$ 0	\$ 0
Costs	\$ 25,000	\$ 373,400
Net County Cost	\$ 25,000	\$ 373,400

Funding Source: General Fund

Match Requirement: None

DISCUSSION:

The County's Single Audit Report (SAR) for the year ending June 30, 2025, will include the annual audit of the County's basic financial statements as reported in the Annual Comprehensive Financial Report (ACFR) and a financial/compliance audit of all required federal assistance programs as mandated by the Code of Federal Regulation Title 2 § 200.501 for non-federal entities expending over \$1 million in federal awards. The County expended \$247 million in federal assistance for the year ending June 30, 2024. In addition, the Gann calculation, a management letter (if applicable), and an audit of Treasury Assets will be provided.

It is expected that more than the normal four major federal programs will be selected for audit in accordance with Single Audit requirements. Therefore, the Audit Agreement provides the flexibility to include an additional 10 major federal programs as needed, up to a not to exceed amount of \$140,000. The Audit Agreement also includes audit services not to exceed \$10,000 related to the implementation of new accounting standards.

The audit will meet both OMB *Uniform Guidance* and rating agency requirements, since the County must meet federal audit requirements, will continue to need the funding flexibility afforded by debt issuance, and has continuing disclosure requirements under existing debt issuances.

The County's auditor prior to 2019 was Vavrinek, Trine, Day & Co., LLP ("VTD"). In July 2019 VTD joined EB. VTD was previously selected to perform SAR work through a competitive bid process conducted in March 2014, and the County's prior agreements with VTD provided for not-to-exceed fixed pricing of \$170,515 annually for three years (SAR 2014, SAR 2015 and SAR 2016) with two option to renew years that were negotiated at \$173,025 (SAR 2017) and \$176,000 (SAR 2018). VTD was selected because they offered the best value considering such factors as experience with and knowledge of County operations, size of the firm and availability of resources, independence, audit approach and experience with similar size counties.

The County received one-year quotes from VTD/EB in the amount of \$180,652 for SAR 2019, \$184,650 for SAR 2020, \$188,713 for SAR 2021, \$201,923 for SAR 2022, \$216,058 for SAR 2023 and \$233,347 for SAR 2024 (excluding additional services). After careful consideration staff determined that it was in the County's best interest to request a one-year quote from EB for SAR 2025. The Audit Agreement (Exhibit 1) before you today is for a not-to-exceed amount of \$398,400 representing \$248,400 for SAR 2025 and up to \$150,000 for additional services as necessary. The increase for the SAR is 6.5% from the prior year.

For purposes of efficiency and to ensure the SAR work is completed in a timely manner going forward, your Board is also requested to authorize the Auditor-Controller to approve amendments to the Audit Agreement due to changes in the scope of services and/or irregularities or unforeseen conditions requiring additional audit procedures and to increase the cost of the Audit Agreement up to 10% of the original Audit Agreement amount.

The Business Associate Agreement (Exhibit 2) is brought before your Board to facilitate EB's performance of services under the Audit Agreement. In the performance of procedures under the Audit Agreement, it may become necessary for EB to request information that is protected under the Privacy Rule. The County's 2019 Administrative Policy Manual requires that Business Associate Agreements entered into in connection with a separate contract for services with related expenditures exceeding \$200,000 be subject to approval by the Board of Supervisors.

STRATEGIC PLAN PRIORITY: The items presented in this Board letter support making responsible and efficient use of public funds and promote economic stability and growth during a changing economy.

This letter has been reviewed by the County Executive Office and by County Counsel. If you have any questions regarding this recommendation, please call me at 805-654-3151.

Sincerely,



JEFFERY S. BURGH
Auditor-Controller

Attachments:

- Exhibit 1 - Audit Agreement
- Exhibit 2 - Business Associate Agreement

C: Sevet Johnson, PsyD, County Executive Officer
Tiffany N. North, County Counsel