

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 4/14/2015	(3) CONTACT/PHONE Kerry Bailey 788-2979	
(4) SUBJECT Request to approve an engagement letter with Brown Armstrong CPAs for fiscal year 2014-15 audit services. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the engagement letter with Brown Armstrong CPAs for fiscal year 2014-15 audit services.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> Engagement Letter			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>September 9, 2014</u>	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts.			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, CPA, Auditor - Controller - Treasurer - Tax Collector

DATE: 4/14/2015

SUBJECT: Request to approve an engagement letter with Brown Armstrong CPAs for fiscal year 2014-15 audit services. All Districts.

## **RECOMMENDATION**

It is recommended that the Board approve the engagement letter with Brown Armstrong CPAs for fiscal year 2014-15 audit services.

## **DISCUSSION**

On September 9, 2014, the Board approved a contract with Brown Armstrong CPAs to provide external auditing services for the four year period including fiscal years 2014-15 through 2017-18 at the rate of \$125,000 per year.

The annual engagement letter, a standard practice for financial audits, documents an understanding between the audit firm and County management of the audit objectives and procedures, management responsibilities, and audit administration. This engagement letter also includes a provision for nonbinding mediation in an effort to work out any dispute that may arise between the parties regarding the parties' rights and obligations with respect to the external auditing services.

While the prior external auditors did not require Board approval of the engagement letter, Brown Armstrong CPAs requests both management and Board confirmation of the understanding.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

Administrative Office, County Counsel

## **FINANCIAL CONSIDERATIONS**

Approval of the engagement letter does not incur any additional costs.

## **RESULTS**

The contract and engagement letter with Brown Armstrong CPAs provides for the annual audit of the County's financial records in compliance with applicable state and federal laws and generally accepted accounting principles.

## **ATTACHMENTS**

1. Brown Armstrong Engagement Letter FY 14-15