

# HEBER PUBLIC UTILITY DISTRICT

## REPORT TO BOARD OF DIRECTORS

**MEETING DATE:** January 16, 2020

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Authorize the General Manager to Solicit Proposals for Professional Auditing Services.

**ISSUE:**

Shall the Board of Directors authorize the General Manager to solicit proposals for professional auditing services?

**GENERAL MANAGER'S RECOMMENDATION:**

It is recommended that the Board of Directors authorize the General Manager to solicit proposals for auditing services.

**FISCAL IMPACT:**

It will cost approximately \$500 to advertise the Request for Proposal for auditing services. We budget each year for auditing services and expect the expenditures to remain about the same.

**BACKGROUND:**

The HPUD Board hired a new auditing firm, White Nelson Diehl Evans LLP in 2014 and executed a three year contract to perform auditing services for the District. The contract expired in 2017 and the HPUD Board authorized a one year extension of the contract. In 2019 the Board authorized the final extension of the contract. The most recently completed audit was the last year that White Nelson Diehl Evans LLP were contracted to perform professional auditing services for the District. They have performed an audit of our financial records covering a six year period.

**DISCUSSION:**

According to Government Code Section 12410.6. (a) An audit for any local agency, including those submitted to the Controller pursuant to subdivision (a) of Section 12410.5, shall be made by a certified public accountant or public accountant, licensed by, and in good standing with, the California Board of Accountancy. (b) Commencing with the 2013–14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for **six consecutive fiscal years**. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013–14 fiscal year.

**RECOMMENDATIONS:**

Staff recommends authorizing the General Manager to solicit proposals for professional auditing services beginning with the audit for FY 2019-20.

**ALTERNATIVES:**

- 1) Authorize the General Manager to solicit proposals for professional auditing services for the Heber Public Utility District.
- 2) Provide an alternative action.

Respectfully Submitted,

Laura Fischer,  
General Manager