

# HEBER PUBLIC UTILITY DISTRICT

## REPORT TO BOARD OF DIRECTORS

**MEETING DATE:** January 17, 2019

**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. 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 four 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. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.

According to this government code, White Nelson Diehl Evans LLP could be hired to complete another two years of audits. Extending our contract with White Nelson Diehl

Evans would meet the requirements of the Government Code, and it would push off the administrative task of securing auditing services until Fiscal Year 2020. The current contract allows for annual extensions upon Board approval. HPUD is very satisfied with our current auditors and have no concerns with continuing their services.

**RECOMMENDATIONS:**

Staff recommends authorizing the General Manager to solicit proposals for professional auditing services beginning with the audit for FY 2018-19.

**ALTERNATIVES:**

- 1) Authorize the General Manager to solicit proposals for professional auditing services for the Heber Public Utility District.
- 2) Authorize the General Manager to negotiate a contract extension with White Nelson Diehl Evans LLP to perform the financial audit for FY 2018-19.

Respectfully Submitted,

Laura Fischer,  
General Manager