



Topic: **Joint Reservoir Committee & Authority Board** **2021 June 23**
Agenda Item 1.5

Subject: **Fechter and Company - Contract Amendment for 2020 Single Audit**

Requested Action:

Consider approval of an amendment to Fechter and Company's contract to include conducting a Single Audit in the amount of \$3,500 bringing their existing contract amount to \$61,754.

Detailed Description/Background:

Fechter and Company, CPA, was awarded a contract to conduct audits of the Authority's financial information that included fiscal year 2020. During the 2020 Audit it was determined that the Authority requires to have a federal "Single Audit" conducted. This is due to receiving payment exceeding \$750K in federal funding invoiced expenses during the Authority's 2020 fiscal year. This is also a requirement of the Authority's Federal Assistance Agreement. This is the first time the project has exceeded the threshold for a single audit.

The Single Audit will include reporting on compliance of internal controls related to the project. Single Audits include about a dozen review categories with focus on procedures. For example, is the Authority invoicing appropriate allowable activities/charges, is cost allocations correct, and does the Authority have sufficient internal controls.

Fechter and Company submitted a proposal to conduct the Authority's Single Audit with a cost of \$3,500 and a schedule to allow for Authority review and approval of all audit results at the July meetings.

Prior Reservoir Committee Action:

December 18, 2020: Approved Fechter and Company, CPA, to conduct the Joint Powers Authority's 2020 Fiscal Audit through an amendment to their current approved agreement.

Fiscal Impact/Funding Source:

Sufficient funds exist within the Amendment 2 work plan (budget) to cover these costs.

Staff Contact: Joe Trapasso

Attachments: None.