



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Human Services Agency



Date: September 15, 2015
Board Meeting Date: October 6, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Iliana Rodriguez, Director, Human Services Agency

Subject: Agreement with Kevin W. Harper CPA & Associates for Subrecipient Monitoring

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Kevin W. Harper CPA & Associates to provide Audit Compliance, Subrecipient Monitoring and Consultation Services, for the term of October 1, 2015 through June 30, 2018, in an amount not to exceed \$500,000.

BACKGROUND:

The Single Audit Act of 1984 established requirements for audits of states, local governments, and Indian tribal governments that administer federal financial assistance programs. The Office of Management and Budget (OMB) is responsible for the audits of state and local governments and provides implementing guidance of such audits.

On December 26, 2013, OMB Circular A-133, the official guide to audit requirements established in the Single Audit Act of 1984, was superseded by the issuance of 2 CFR parts 200, subpart F, referred to as the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, also known as the "Super Circular".

The Super Circular is applicable to federal awards made on or after December 26, 2014. The primary objective of the Super Circular is to improve cost effectiveness and direct resources to achieve evidence-based programmatic outcomes.

Changes within the Super Circular include an increased audit threshold to \$750,000 for subrecipients audited in fiscal years beginning on or after December 26, 2014, as well as revisions to the major program determination processes. A notable change in the reforms is the reduction of areas of review resulting in more focused reviews. One of the major areas of review to be focused on is how subrecipients who receive federal

awards are being monitored for program and financial compliance as well as the internal controls in place that ensure federal program guidelines are followed.

DISCUSSION:

Through this agreement, Kevin W. Harper, CPA & Associates will assist the Human Services Agency (HSA) in reviewing its subrecipient monitoring policies, procedures and internal controls to prepare for the changes embodied in the Super Circular.

Specifically, Kevin W. Harper, CPA & Associates will be assisting the Agency in developing internal control environment policies and procedures, conducting subrecipient risk assessment, reviewing program outcome and financial reporting requirements as well as consulting in sub recipient monitoring.

In the first year, it is anticipated that the firm will provide Super Circular compliance training to community based organization partners as well as HSA staff in the intricacies of the new requirements. In the remaining years, the firm is expected to assist HSA in maintaining continuous programmatic and financial monitoring and reviewing requirements to ensure federal program outcomes and objectives are met.

The resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

County Counsel has reviewed and approved the agreement and resolution as to form and the Contractor meets the insurance certification requirement.

This agreement contributes to the commitment and goal of a Prosperous Community by ensuring compliance with new Super Circular guidelines that affect our community partners who act as subrecipients and share in responsibilities for implementing federal programs on behalf of the HSA.

It is anticipated that 100% of Agency staff responsible for Federal Award Agreements will be better prepared to meet federal monitoring regulations and 100% of Community Based Organizational Partners who receive Federal Award Agreements will be better prepared to meet federal monitoring regulations.

PERFORMANCE MEASURE(S):

Measure	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected
Agency staff responsible for Federal Award Agreements are better prepared to meet Federal monitoring regulations.	100%	100%	100%
Community Based Organizational Partners who receive Federal Award Agreements are better prepared to meet federal monitoring regulations.	100%	100%	100%

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FISCAL IMPACT:

The term of the Agreement is October 1, 2015 through June 30, 2018. The amount of the Agreement is not to exceed \$500,000 for the three-year term. The net county cost is \$150,000. Funds for these services are included in the Human Services Agency FY 2015-16 Adopted Budget. Similar arrangements will be made for future budget years.

Request for Proposals – Matrix

1	Where was the RFP advertised?	http://hr.smcgov.org/RFP
2	In addition to any advertisement, list others to whom the RFP announcement was sent:	<ol style="list-style-type: none"> 1) Maze and Associates 2) Richardson & Company, LLP 3) MGO (Macias Gini & O'Connell LLP) 4) Conrad LLP 5) Gallina LLP 6) Jenise Gaskin 7) Williams, Adley & Company, LLP 8) Vavrinek, Trine, Day & Co., LLP 9) C. J. Noe, CPA 10) Kevin W. Harper CPA & Associates
3	State the total number of RFP's sent to prospective proposers:	10
4	How many proposals did you receive?	3
5	List in alphabetical order the names of the proposers (or finalists, if applicable) and the location:	<ol style="list-style-type: none"> 1. Kevin Harper & Associates, Castro Valley 2. Macias, Gini & O'Connell, Walnut Creek 3. Conrad, LLP, Lake Forest