



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: April 18, 2023

DATE: Thursday, April 13, 2023

TO: Board of County Commissioners

FROM: Cathy Hill, Comptroller
(775) 328-2563, chill@washoecounty.gov

THROUGH: Abigail Yacoben, Chief Financial Officer

SUBJECT: Recommendation to approve the award of the Washoe County's Independent Audit Services to Eide Bailly LLP, in accordance with NRS 354.624, that states each local government is required to provide for an annual audit and in accordance with the State of Nevada Department of Taxation the Board of County Commissioners, for a contract period of one (1) year effective April 2023 for fiscal year ending 2023; fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including administrative charges. Estimated fees for the financial statement audit will be \$212,500 and \$16,000 for each major program in relation to the compliance audit over major federal award programs and if approved, staff will submit the notification of award to the Nevada Department of Taxation. Comptroller. (All Commission Districts.) FOR POSSIBLE ACTION

SUMMARY

State law (NRS 354.624) requires that each local government to provide for an annual audit of financial statements by a certified public accountant registered in the State of Nevada and notify the Department of Taxation annually on or before March 31st each fiscal year. In addition, each government that expends \$750,000 or more in Federal awards must provide for an external audit of those grants through the Federal Single Audit process. This single audit builds upon the financial statement audit and is provided through the same audit services contract. Therefore, staff is recommending that the Board of County Commissioners approve the Independent Audit Services with BDO USA, LLP.

Washoe County Strategic Objective supported by this item: Stewardship of our Community

AGENDA ITEM # _____

PREVIOUS ACTION

February 21, 2023 – Board of County Commissioners approved the award of the Washoe County Independent Audit Services to BDO, LLP for a contract period of one (1) year for fiscal year ending 2023 audit services.

February 26, 2019 – Board of County Commissioners approved the award of Bid No. 3066-19 for Independent Audit Services to Eide Bailly, LLP. for an initial contract period of three (3) years effective March 2019, with the provision of two (2) subsequent one-year renewals at a cost of [\$130,000] for the first fiscal year with estimated annual increases of approximately 4% per fiscal year.

BACKGROUND

Per NRS 354.624 each local government is required to provide for an annual audit of financial statements by a certified public accountant registered in the State of Nevada and notified the State of Nevada, Department of Taxation of this engagement by March 31st of each fiscal year. In addition, each government that expands \$750,000 or more in Federal awards must provide for an external audit of those grants through the Federal Single Audit process. This single audit builds upon the financial statement audit and is provided through the same audit services contract. Washoe County currently expends over \$40 million in Federal Awards.

On March 23, 2023, Washoe County was informed by BDO, LLP that they had closed their Reno office and did not currently having staffing in the northern Nevada area. It is believed that the citizens of Washoe County would be better served by an auditing firm with a local presence and understanding of the County's complex accounting and will provide a better product for the taxpayer.

FISCAL IMPACT

There is sufficient budget authority in the Comptroller's Department for fiscal year 2023 for the cost of the annual financial and single audit.

RECOMMENDATION

It is recommended that the Board of County Commissioners move to approve the award of the Washoe County's Independent Audit Services to Eide Bailly LLP in accordance with NRS 354.624, that states each local government is required to provide for an annual audit and in accordance with the State of Nevada Department of Taxation the Board of County Commissioners, for a contract period of one (1) year effective April 2023 for fiscal year ending 2023; fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including administrative charges. Estimated fees for the financial statement audit will be \$212,500 and \$16,000 for each major program in relation to the compliance audit over major federal award programs and if approved, staff will submit the notification of award to the Nevada Department of Taxation. Comptroller.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be to "Move to approve the award of the Washoe County's Independent Audit Services to Eide Bailly LLP in accordance with NRS 354.624, that states each local government is required to provide for an annual audit and in accordance with the State of Nevada Department of Taxation the Board of County Commissioners, for a contract period of one (1) year effective April 2023 for fiscal year ending 2023; fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including administrative charges. Estimated fees for the financial statement audit will be \$212,500 and \$16,000 for each major program in relation to the compliance audit over major federal award programs and if approved, staff will submit the notification of award to the Nevada Department of Taxation. Comptroller.