

PLACER COUNTY ANNUAL AUDIT

Summary

The 1999-2000 Placer County Grand Jury reviewed the Placer County 1998-1999 financial audit prepared by Macias, Gini & Co. and found no significant problems in the County's fiscal management.

The County has recommended renewal of the Macias, Gini & Co. contract for the 1999-2000 audit. Macias, Gini & Co.'s familiarity with both Placer County's financial system and recent legislative changes make this request reasonable. The Grand Jury concurs with this recommendation.

Discussion

As required by California Penal Code section 925, the 1999-2000 Placer County Grand Jury reviewed the County's 1998-1999 financial audit. It also reviewed the proposed contract renewal for the 1999-2000 audit.

Generally, the first year a firm conducts the County audit a large share of its time is spent reviewing the previous year's audit and learning the County's processes. As a result, it benefits the County to use the same auditing firm for two or three consecutive audits. In Placer County, auditing contracts are awarded for one year but renewed annually for a total of three years. A fourth year extension is optional with the County. No firm is allowed to provide auditing services for more than four successive years.

Members of the Grand Jury met periodically with representatives of the County Auditor-Controller's office, Macias, Gini & Co. and the Placer County Internal Auditor. At these meetings the Grand Jury was presented with status reports outlining the progress of the audit, accounting issues, and the changes in laws affecting local governments.

Recent legislation requires several changes to the audit's format and contents. Macias, Gini & Co. is considered expert in the new laws and is now knowledgeable of the County's system. Placer County wishes to renew the Macias, Gini & Co. contract for the 1999-2000 audit and has asked for Grand Jury approval.

Finding 1

The 1998-1999 financial audit found no significant problems apparent in the County's fiscal management.

Recommendation 1

None

Finding 2

County Administration recommends renewal of the contract with Macias, Gini & Co. for the 1999-2000 audit.

Recommendation 2

The Grand Jury concurs.

Respondents

Placer County Board of Supervisors
Placer County Chief Executive Officer
Placer County Auditor-Controller

RESPONSE REQUIRED WITHIN 90 DAYS TO:

The Honorable Larry D. Gaddis
Presiding Judge, Superior Court
County of Placer
Historic Courthouse
101 Maple Street
Auburn, CA 95603