



FALLBROOK PUBLIC UTILITY DISTRICT
MEETING OF THE FISCAL POLICY AND INSURANCE COMMITTEE

REVISED AGENDA (REV. 1)

TUESDAY, JULY 18, 2017
2:00 P.M.

FALLBROOK PUBLIC UTILITY DISTRICT
990 E. MISSION RD., FALLBROOK, CA 92028
PHONE: (760) 728-1125

If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 728-1125 for assistance so the necessary arrangements can be made.

Writings that are public records and are distributed during a public meeting are available for public inspection at the meeting if prepared by the local agency or a member of its legislative body or after the meeting if prepared by some other person.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

II. ACTION / DISCUSSION ----- (ITEMS A-C)

A. DEVELOPMENT OF A PROCEDURE FOR CLOSING THE FISCAL YEAR

B. WATER BILL ANALYSIS

C. AUDIT SERVICES FOR 2016-17

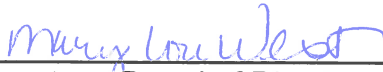
III. ADJOURNMENT OF MEETING

DECLARATION OF POSTING

I, Mary Lou West, Secretary of the Board of Directors of the Fallbrook Public Utility District, do hereby declare that I posted a copy of the foregoing agenda in the glass case at the entrance of the District Office located at 990 East Mission Road, Fallbrook, California, at least 72 hours prior to the meeting in accordance with Government Code § 54954.2(a).

I, Mary Lou West, further declare under penalty of perjury and under the laws of the State of California that the foregoing is true and correct.

July 14, 2017
Dated / Fallbrook, CA


Secretary, Board of Directors

M E M O

TO: Fiscal Policy & Insurance Committee
FROM: Jack Bebee, Assistant General Manager, JRB
DATE: July 18, 2017
SUBJECT: Award of Independent Audit Services for FY 2016-17

Purpose

To request Board approval to award independent financial audit services to MGO for FY 2016-17.

Summary

MGO completed the District financial audit for the previous fiscal year (FY 2015-16). The accounting system conversion resulted in a significant delay in the FY 2015-16 audit as the District financial system transitioned into the new Springbrook financial system. Since MGO is knowledgeable on the issues that resulted in the delay and has the expertise to independently verify these issues are now properly resolved, it is recommended to have MGO perform the financial audit for FY 2016-17.

After this audit is completed, the District will issue a request for proposals (RFP) for future financial auditing services for the FY 2017-18 through FY 2019-20 audits.

In addition to the audit services and since the District is in the process of filing the Assistant General Manager / Chief Financial Officer position, it is recommended to engage MGO to provide some additional, as-needed higher level accounting support services to ensure the audit is completed in a timely manner. These services would include as-needed basis items, such as:

- Review of District timelines and processes to close the year.
- Review in detail past problems with CIP transactions and general ledger in Springbrook.
- Provide support to accounting staff when questions arise regarding closing the year.
- Provide support to accounting staff as questions arise in the current year fiscal year.

Recommended Action

That the Board authorize staff to enter into a professional services agreement with MGO to provide a financial audit for FY 2016-17 at a cost of \$34,500 and to provide additional as-needed accounting support services at a cost not-to-exceed \$20,000.