



Agenda Item No: 1.d

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 17, 2025

Submitted by: Jennifer Lampman

From: Finance

Subject:

Amendment No. 1 to Professional Services Agreement with CliftonLarsonAllen (CLA) for Financial Auditing Services

Financial Impact:

Fiscal Impact:

FY 2025/26: \$93,673 Annual Contract Amount (102020-6010)

FY 2026/27: \$96,778 Annual Contract Amount (102020-6010)

Summary:

The City Council contracts with certified public accountants to annually examine the City's records, books, inventories, and assets. In July 2022, the City approved an agreement with CliftonLarsonAllen (CLA) for annual financial auditing services after conducting a Request for Proposals (RFP). The City has been satisfied with the work performed by CLA and desires to extend the term of the agreement by two (2) years, with an increase in compensation of two hundred ten thousand dollars (\$210,000), for a total not to exceed agreement of four hundred twenty-five thousand dollars (\$425,000).

Recommendation:

Recommended Action: It is recommended that the City Council take the following actions:

1. Approve Amendment No. 1 to the Professional Services Agreement with CliftonLarsonAllen for financial auditing services extending the term to June 30, 2027 and increasing compensation by \$210,000, for a total not to exceed amount of \$425,000; and
2. Authorize the City Administrator and/or her designee to execute all the necessary documents in a form approved by the City Attorney.

Strategic Plan Statement:

This item is consistent with the City Council approved 5-Year Strategic Goal # 1 Ensure Long-Term Fiscal Sustainability, however it's not directly related to a specific objective.

Discussion:

The City Council contracts with certified public accountants to annually examine the City's records, books, inventories, and assets. In July 2022, the City approved an agreement with CliftonLarsonAllen (CLA) for annual financial auditing services after conducting a Request for Proposals (RFP). The City has been satisfied with the work performed by CLA and desires to

extend the term of the agreement by two (2) years, with an increase in compensation of two hundred ten thousand dollars (\$210,000), for a total not to exceed agreement of four hundred twenty-five thousand dollars (\$425,000).

As part of their scope of work, CLA is responsible for the following each fiscal year:

1. Audit sample to be increased beyond those required by professional audit standards and include each of the City's funds.
2. Disclosure of methods for testing each of the City's funds.
3. Review of employee compensation for the City Administrator and all members of the Executive Team.
4. Preparation of the annual Cities Financial Transactions Report for the State Controller's Office per Government Code Section 53891.
5. Preparation of the Annual Street Report for the State Controller's Office per California Streets and Highways Code Section 2151.
6. A list of agreed-upon procedures from which two (2) will be randomly selected each year by the Financial Oversight and Audit Committee:
 1. Review of investment transactions - To determine that the investments made by Staff are in compliance with the City's applicable Investment Policy.
 2. Review of financial institution wire transfers - To ensure that all transfers out of financial institutions as reported on bank or investment statements are properly authorized and accounted for.
 3. Review of Journal Entries - To ensure that journal entries (including budget entries) are made with adequate support, proper approval, and are correctly recorded to the general ledger.
 4. Review of Check Stock Sequence and Cancelled Checks - To verify the sequence of check stock, including unused checks, voided checks, and cancelled checks that all checks cleared through the City's financial institutions are presented to City Council in the warrant registers and are properly accounted for within the accounting records of the City.
 5. Review of Cash Receipts - To ensure that the amounts collected from all locations accepting revenues are properly reflected on receipt documentation that agrees with the amount in the revenue tracking software (if applicable), to the general ledger, and the amount reflected on the bank statement.

Fiscal Impact Summary:

The total cost of the two-year contract extension is \$190,451, \$ 93,673 of which was included in the Proposed FY 2025-26 budget. Additional contract authority up to \$210,000 is being requested should the need for additional work or expanded scope of work arise.

Attachments

[CliftonLarsonAllen, LLP - Agreement Professional Auditing Services July 2022-2025.pdf](#)
[PLACENTIA COST PROPOSAL - FY 25 & 26.pdf](#)
[CLA Amendment No 1 with insurance.pdf](#)