

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

May 20, 2025

FROM

ENSEN MASON, Auditor-Controller/Treasurer/Tax Collector

SUBJECT

Amendment to Agreement with The Pun Group, LLP for the San Bernardino County Single Audit

RECOMMENDATION(S)

Approve **Amendment No. 1 to Agreement No. 23-539** with The Pun Group, LLP, to provide financial/single audits for San Bernardino County, and financial audits of Arrowhead Regional Medical Center, the Inland Empire Public Facilities Corporation, and the San Bernardino County Financing Authority, for 2022-23 through 2026-27, increasing the not-to-exceed amount by \$169,645, from \$1,334,188 to \$1,503,833, with no change to the term of July 1, 2023 through June 30, 2028.

(Presenter: Ensen Mason, Auditor-Controller/Treasurer/Tax Collector, 382-7000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The cost for reimbursement for audit services is included in the Auditor-Controller/Treasurer/Tax Collector (ATC), Arrowhead Regional Medical Center (ARMC), Inland Empire Public Facilities Corporation (IEPFC), and San Bernardino County Financing Authority (SBCFA) 2024-25 budgets and will be included in future recommended budgets.

The revised contract outlines updated maximum payments by agency for financial audit services from 2022-23 through 2026-27. ATC will see an increase of \$169,645 over this period, raising its total from \$774,073 to \$943,718, and is the only agency impacted by the amendment. The other agencies remain unchanged, with ARMC allocated a total of \$398,186, IEPFC allocated \$84,946, and SBCFA allocated \$76,983. Altogether, the revised total across all agencies for the five-year period is \$1,503,833.

BACKGROUND INFORMATION

On June 27, 2023 (Item No. 138), as the result of Request for Proposals (RFP) No. ACT123-ACTT-4869, the Board of Supervisors (Board) approved Agreement No. 23-539 with The Pun Group, LLP, to provide financial/single audits for San Bernardino County, and financial audits of ARMC, IEPFC, and SBCFA, for 2022-23 through 2026-27, for a total contract amount not to exceed \$1,334,188, for the five-year period of July 1, 2023 through June 30, 2028. The Board also authorized ATC to transfer funds from IEPFC and SBCFA to pay for their financial audits.

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The recommended amendment will increase the total contract amount by \$169,645 to support the expanded scope of single audit services for San Bernardino County under the Office of Management and Budget (OMB) guidelines. At the time of the original RFP, the County estimated the need for single audit services on five major programs. However, after the first audit cycle, The Pun Group, LLP identified that, due to the County's size and the substantial level of federal funding received, between eight and thirteen major programs must be audited annually to maintain compliance. This amendment is critical to meet federal single audit requirements. It ensures that all major programs are audited as required, thereby safeguarding the County's eligibility for current and future federal funding. Failure to comply with OMB audit requirements could result in questioned costs, potential grant disallowances, or loss of federal funds – risks that this amendment proactively mitigates.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Kristina Robb, Deputy County Counsel, 387-5455) on April 17, 2025; Purchasing (Jessica Barajas, Supervising Buyer, 387-2065) on April 18, 2025; Finance (Jenny Yang, Administrative Analyst, 387-4884) on April 28, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 4, 2025.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Jesse Armendarez

Lynna Monell, CLERK OF THE BOARD

BY



DATED: May 20, 2025



cc: ATC - Mejico w/agree
Contractor - c/o ATC w/agree
File - w/agree
CCM 05/23/2025