

**Cosumnes Groundwater Authority  
Board of Directors Meeting**

Agenda Date: October 4, 2023

Agenda Item #: 4  
Agenda Item Subject: Fiscal Year 2021-2022 Audit

To: CGA Board of Directors  
From: CGA Staff

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**Background**

Richardson & Company, LLP conducted and completed CGA's FY 2021-2022 Audit and draft documents were presented to the Board on September 18, 2023. The final audit documents are attached.

Several recommendations were included and discussed. Those recommendations, and Staff's proposed plan to implement each recommendation, are included here:

**It is important for the Authority to ensure bank reconciliations are complete and accurate in the future.**

A bank reconciliation process will be established with support from the Treasurer.

**The Authority should consider approving accounting policies and procedures, an employee expense reimbursement policy, an anti-fraud policy and a whistleblower policy.**

Staff and Treasurer have drafted written processes/procedures based on examples from Amador Water Agency, Sloughouse RCD, and the California Special District Association. The following draft policies are attached and will be presented to the Board for consideration in November:

- Reimbursement Policy
- Anti-Fraud Policy
- Whistleblower Policy
- Procurement and Contracting Policy

Additionally, Treasurer Responsibilities and Process and a Reserve and Investment of Authority Funds Policy will be developed.

**Develop a closing checklist(s) to use on a monthly, quarterly, and annual basis.**

Staff and Treasurer will develop these checklists.

**When extending a contract, include a thorough description, the term, and contract limit of approved contracts should be included in the Boards minutes to make it easier to identify**

**contract commitments for disclosure. Additionally, an extension letter, or formal agreement, should be executed and signed by all parties to document the rate per hour, contract limit, and term of extensions.**

Added recommendation to draft Procurement and Contracting Policy and internal process checklists.

**Request that regular billing cycles and established with consultants performing reoccurring work.**

Staff will discuss with contractors and will aim to develop consistency.

**Contract with a professional accountant to assist Staff and Treasurer in establishing and maintaining accounting processes and reporting.**

Prepare an accounting services Request for Qualifications to explore costs associated with bringing on additional accounting support.

#### **Recommendations**

- Accept the Fiscal Year 2021-2022 audit documents provided by Richardson & Company, LLP.