



Midpeninsula Regional  
Open Space District

R-11-29  
Meeting 11-05  
February 23, 2011

## **AGENDA ITEM 4**

### **AGENDA ITEM**

Appointment of District Auditor for FY2010-11

### **CONTROLLER'S RECOMMENDATION**

Appoint Vavrinek, Trine, Day & Co. as the District's auditor for FY2010-11 and authorize the General Manager to execute an engagement letter agreement in the amount of \$18,781.

### **DISCUSSION**

In 2010, Maze & Associates completed the third year of its three-year auditing agreement with the District. Accordingly, a Request for Proposal for Auditing Services was prepared and distributed in December 2010 to six local accounting firms. Three proposals were received: 1) Vavrinek, Trine, Day & Co.; 2) Maze and Associates; and 3) Mayer Hoffman McCann. Each of these firms is considered qualified.

Analysis of these proposals verifies that the proposal received from Vavrinek, Trine, Day & Co. (Vavrinek) offers the lowest price for the first year and the three years combined, including the expected requirement to conduct Single Audits of receipts and expenditures on the federally-funded Mount Umunhum project in the second and third years. All non-federal government entities that expend \$500,000 or more of federal funds in a year are required to conduct what is called a Single Audit of the use of the federal funding. Vavrinek served as the District's auditor for the three fiscal years ending March 31, 2007, and the District was pleased with its performance each year. In addition, the Vavrinek partner assigned to the District audit, Leonard Danna, has lead the District audit team in seven prior fiscal years—three with Vavrinek and four with Grant Thornton in the late 1990s. The District was very pleased with Mr. Danna's work at both firms.

Vavrinek proposed maximum prices of \$18,781 for FY 2010-11, \$22,500 for FY 2011-12 and \$22,500 for FY2012-13, including the Single Audit in the final two years. The total price for the three years is more than 10% below that proposed by the other bidders. Last year, the District paid Maze an audit fee of \$24,725, so the new pricing represents a significant savings.

**FISCAL IMPACT**

The District's required financial audit is an ongoing, annual cost. The Controller's recommendation represents a \$5,944 incremental reduction from the amount paid to Maze & Associates in the previous year. The proposed amount, \$18,781, is included in the Administration Department's FY2011-12 proposed budget.

**PUBLIC NOTICE**

Notice was provided pursuant to the Brown Act. No additional notice is necessary.

**CEQA COMPLIANCE**

This agenda item is not a project under the California Environmental Quality Act and no environmental review is required.

**NEXT STEPS**

If approved by the Board, staff will contact Vavrinek, Trine, Day & Co. to request an engagement letter and will set up a purchase order to retain their audit services.

Prepared by:  
Michael Foster, Controller

Contact person:  
Same as above