

REPORT TO SHASTA COUNTY RTPA

| SUBJECT | | MEETING DATE | ITEM NUMBER |
|--|--|--------------|-------------|
| Award Audit Engagement for Fiscal and Compliance, and Performance Audits | | 4/25/06 | 3-6 |

RECOMMENDATION

It is recommended that the Agency award a three-year audit engagement to Don R. Reynolds, CPA, for fiscal and compliance, and performance audits for the three fiscal years ending June 30, 2006, 2007, 2008.

SUMMARY

Don R. Reynolds, CPA, submitted the low bid for the financial and compliance, and performance audits.

DISCUSSION

Transportation Development Act regulations require annual financial and compliance audits of all claimants and funds maintained by the RTPA, and triennial performance audits of the RTPA and RABA.

Staff contacted certified public accounting firms in the Redding area and distributed a Request for Proposal (RFP) to eleven firms who perform audit services. Two proposals were submitted as follows:

| | Reynolds | Nystrom & Co. |
|------------------------|-----------|---------------|
| RTPA Performance Audit | \$ 4,500 | \$ 2,500 |
| RABA Performance Audit | 4,500 | 3,500 |
| Financial Audit 2006 | 11,000 | 15,000 |
| Financial Audit 2007 | 11,500 | 15,500 |
| Financial Audit 2008 | 12,000 | 16,000 |
| Total Proposal | \$ 43,500 | \$52,500 |

The bid from Don R. Reynolds, CPA, is the lowest and the firm appears adequate to perform the services requested. Costs for audit services have increased from the current agreement by approximately \$4,000.00 annually.

ALTERNATIVES

The Board could choose to award the contract to another bidder. This alternative would increase the cost of the audits. Although the Agency has had no prior audit experience with Mr. Reynolds' firm, Mr. Reynolds has performed audits for several Agency claimants.

Another alternative would be to redistribute the RFP. Although every CPA firm in the telephone directory for Redding was solicited, the request could be sent out to more firms in the Sacramento, Chico, and Auburn areas.


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OTHER AGENCY INVOLVEMENT

The Technical Advisory Committee (TAC) reviewed this item at the April 11, 2006, meeting and concurs with the staff recommendation.

FINANCING

These audits are paid from TDA funds and are included in this year's Overall Work Program.



Daniel S. Little, Executive Officer

SLC/jac