REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Award Audit Engagement for Fiscal and Compliance, and Performance Audits		07/22/03	3-7

RECOMMENDATION

It is recommended that the Agency award a three-year audit engagement to D.H. Scott and Company for fiscal and compliance, and performance audits for the three fiscal years ending June 30, 2003, 2004, 2005.

SUMMARY

D.H. Scott & Company submitted the low bid for the financial and compliance, and performance audits. D.H. Scott and Company has nine years prior experience with RTPA audits.

DISCUSSION

The 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 Requests for Proposals to 11 firms who perform audit services. Three proposals were submitted as follows:

	D.H. Scott	Hathaway & Ksenzulak	Nystrom & Co.
3-year performance audit	$ 3,500	$ 5,700	$ 6,000
Financial Audit 2003	7,500	14,900	16,500
Financial Audit 2004	7,500	14,600	17,000
Financial Audit 2005	7,500	14,800	17,500
Total Proposal	$ 26,000	$ 50,000	$ 57,000

The bid from D.H. Scott and Company is consistent with prices charged in previous years and appears to be adequate to perform the services requested.

ALTERNATIVES

The Board could choose to award the contract to another bidder. This alternative would increase the cost of the audits. Nystrom and Company has performed these audits for the last three years. The agency has had no audit experience with Hathaway & Ksenzulak.

Another alternative would be to redistribute the request for proposal. Although every CPA firm in the telephone directory for Redding was solicited, the request could be sent out to more firms in Sacramento, Chico and Auburn areas. Since the Transportation Development Act regulations require the audit to be completed within 180 days after the end of the fiscal year, this alternative could prevent the audit from being prepared in a timely fashion.

OTHER AGENCY INVOLVEMENT
The Technical Advisory Committee supported this recommendation.

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

Daniel J. Kovacich, Executive Officer

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