STAFF REPORT

MEETING DATE:	**December 12, 2017**
SUBJECT:	**Authorize Request for Proposals (RFP) for Audit Services**
AGENDA ITEM:	**5-9**
STAFF CONTACT:	**Dave Wallace, Chief Fiscal Officer**

STAFF RECOMMENDATIONS:

It is recommended that the board of directors:

1. Authorize the executive director to issue a Request for Proposals (RFP) for the annual fiscal audits for fiscal years 2017/18, 2018/19 and 2019/20 with options for 2020/21 and 2021/22; and
2. Authorize the executive director to issue an RFP for the triennial performance audit for fiscal years 2015/16, 2016/17 and 2017/18.

DISCUSSION:

As a condition of receiving Transportation Development Act (TDA) funds, SRTA is required under Public Utilities Code Sections 99245 and 99246 to prepare and submit annual certified fiscal audits and triennial performance audits for both SRTA and RABA. The annual fiscal audits must be performed by a certified public accountant. The triennial performance audit does not require a certified public accountant, but does require knowledge of TDA regulations in the areas of administrative and planning obligations, as well as organizational management and efficiency.

SRTA's current audit services agreement expired after the audit for the year ending June 30, 2017. Staff recommends issuing separate Request for Proposals (RFPs) – one for the annual fiscal audits, and another for the triennial performance audit. Qualified firms may bid on either or both engagements. Staff will prepare consultant contracts for consideration by the board of directors at the February 2018 meeting.

ALTERNATIVES:

The board may direct staff to solicit services annually. Three-year minimum contracts are recommended so firms can gain a familiarity with SRTA operations.

OTHER AGENCY INVOLVEMENT:

Audit findings are submitted to the California State Controller's Office and Caltrans. The Finance Committee and TAC concur with the staff recommendations.

FINANCING:

SRTA paid about $23,000 a year for past fiscal audits and $20,000 for the last triennial performance audits. The cost of future audits will be determined by proposals received.

Daniel S. Little, AICP, Executive Director