

To: BOARD OF DIRECTORS

Date: February 7, 2012

From: Kathy Casenave, Director of Finance

Reviewed by:

SUBJECT: AUDIT ENGAGEMENT

Summary of Issues:

The FY 2011 audit was the final year of the current engagement with Brown Armstrong, CPA's. The contract was for three years, with two one year options, which CCCTA exercised. The last three times that CCCTA has gone out to bid for audit services, Brown Armstrong has been the lowest bid. The firm has provided audit services for a total of 15 years.

At the February meeting, the A&F Committee members discussed whether or not CCCTA should issue a request for proposal for audit services or negotiate a contract with Brown Armstrong without going out to bid.

The A&F Committee and staff have been satisfied with the services provided. Brown Armstrong is experienced in auditing transit properties; other clients include Santa Cruz Transit, Riverside Transit, Golden Empire Transit and North County Transit. Furthermore they would be willing to rotate staff/partners so that there would be a fresh look at our operations.

The A&F Committee had mixed views on this subject and would like the full Board to discuss and give direction to staff.

Options:

- 1) Direct staff to issue a request for proposal for audit services
- 2) Direct staff to negotiate a contract for audit services with Brown Armstrong