DEPARTMENT: Auditor  BY: Ken Hawkins  PHONE: 966-7606

RECOMMENDED ACTION AND JUSTIFICATION:

Approve contract with Smith and Newell, CPA's for the fiscal years 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07. First year of audit, 2002-03, $39,000. The following four years will be 2003-04 through 2006-07 are $38,000, $39,150, $40,325, and $41,325 respectively.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
State law requires a county to contract to have an outside accounting firm audit all county operations upon the completion of each and every fiscal year. It has been Board policy that upon the completion of five years, new bids shall be solicited and that the county must select an entirely new firm; that is, the county cannot solicit bid proposals from the accounting firm who just completed the prior five-year audit cycle.

We solicited bids from six accounting firms who we knew were specialists in county audits. Of those six solicitations, we received four proposals. I have attached a summary of their proposals. If one is aware of the sheer number of programs and departments within the county structure, then one can also imagine the complexity and breadth in which a countywide audit entails. Because of these considerations, the cost proposals had significant variations in terms of cost and the number of audit hours anticipated to complete such an audit.

After consulting with Rich Inman and Mary Hodson, and with great deliberation, we are requesting the Board to consider the low bidder, Smith and Newell. Although a smaller firm, the two partners, Marilee Smith and Norm Newell, are hands-on partners who have been involved in county audits for 20 plus years, and who have operated as partners in this same accounting firm for the last 15 years.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
The Board may select any of the other three accounting firms whom, I feel, are equally qualified. However, Smith and Newell, CPA's was the only accounting firm to bid within our 2004-05 budget.

Financial Impact? (X) Yes ( ) No  Current FY Cost 39,000  Annual Recurring Cost: Estimate at $40,000
Budgeted In Current FY? (X) Yes ( ) No ( ) Partially Funded.
Amount in Budget: $41,500
Additional Funding Needed: 0
Source:
Internal Transfer
Unanticipated Revenue 4/5's vote
Transfer Between Funds 4/5's vote
Contingency 4/5's vote
( ) General ( ) Other

CLERK'S USE ONLY:
Res. No. 546  Ord. No. ______
Vote – Ayes: 5  Noes: ______
Absent: ______
Approved:
( ) Minute Order Attached ( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: ______

Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: Deputy

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
No Opinion
Comments:

Contract approval contingent upon County Counsel's review.
The table below shows the comparison between the current year's performance and the five-year average, along with the expected performance levels. The data is available in both the 'All' and 'Contract' sections, with a focus on the financial and analytical perspectives. The figures are presented in a tabular format, with years ranging from 2002-2007, and the values are expressed in dollars. The analysis indicates that the performance is projected to meet or exceed the five-year average in most cases, with slight variations noted in specific years.