



## Upper Valley Waste Management Agency Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Lederer, Steven - Director  
Environmental Management  
**REPORT BY:** Steven Lederer, Director of Environmental Management - 253-4471  
**SUBJECT:** Contract Approval for Annual Auditing Services by Gallina, LLP

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### **RECOMMENDATION**

REQUESTED ACTION: Approval and authorization for the Chair to sign the Professional Services Agreement (PSA) with Gallina, LLP to prepare the Authority's Annual Audits for the next three years (and two additional option years at the agency's discretion).

### **EXECUTIVE SUMMARY**

Pursuant to the Joint Powers Agency formation agreement an annual audit is required to be completed. The Agency has chosen Gallina, LLP to prepare the Agency's annual audits. The proposed agreement with Gallina, LLP is to audit the Agency's financial records for the fiscal years ending June 30, 2011, 2012, and 2013, with an optional two year extension. The fee for each annual audit is \$3,350.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Upper Valley Waste Management Agency
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	The amount of the audit is within the authority's budget for each year.
Consequences if not approved:	Audit will not be completed. Agency will not be meeting the requirements of their formation agreement.

Additional Information:

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION**

The Auditor-Controller issued a Request for Proposal (RFP) for audit services on March 2, 2011. The purpose of the RFP was to select an independent certified public accounting firm to audit the County and various county agencies for which the Auditor-Controller is responsible. The RFP was sent out to 33 firms, most of whom have a division specializing in governmental clients. The due date for proposal was April 29, 2011 and we received responses from five firms. The Audit Committee, consisting of the Auditor-Controller, the Assistant Auditor-Controller, the Internal Audit Manager, Accounting Manager, Principal Management Analyst-CEO and Deputy County Counsel, reviewed each proposal and determined Gallina, LLP shall be recommended to the Authority for auditing services based on both qualifications and cost.

The agreement with Gallina, LLP is for a three year contract with an optional two year extension. The proposed cost for each of the five years is \$3,350, which is \$150 less than the auditing services they provided for fiscal year ended June 30, 2010.

Gallina, LLP has been the County's Independent Auditor for the past 13 years. To ensure independence, the firm's proposal included a change in the partner which oversees the audit team during the engagement.

**SUPPORTING DOCUMENTS**

None

Recommendation: Approve

Reviewed By: Steven Lederer