

## **First 5 Commission of San Diego**

April 20, 2010

### **Annual Audit Award**

**Request:**

The action before the Finance Committee is to recommend award to an accounting firm for the FY 2009-10 annual audit.

**Background:**

The First 5 Commission of San Diego is subject to the California Health and Safety Code sections 130100 – 130155. Section 130150 of the Health and Safety Code requires that the Commission undergo an annual audit of “the implementation and performance of, [its] respective functions [for] the preceding fiscal year.”

**Past Annual Audit Awards:**

- FY 1999-00 & FY 2000-01: JJ Davis & Associates
- FY 2001-02 – FY 2008-09: Thompson, Cobb, Bazilio & Associates, P.C.

**Current Bids:**

- Thompson, Cobb, Bazilio and Associates, P.C. – \$17,850
- Moss, Levy & Hartzheim LLP – \$19,755

**County of San Diego, Auditor & Controller – Office Audits & Advisory Services (OAAS):**

OAAS has recommended the selection of the low-bidding firm, and incumbent, Thompson, Cobb, Bazilio and Associates, P.C. (TCBA), for award.

As TCBA has been the auditor for eight years, staff inquired if there were any requirements to change auditors after a certain period of time. Staff was advised that current best practice calls for rotation of partners every 5 years, not firms or lead auditors; however, this is not a requirement or a standard. Should TCBA be selected for award, OAAS will inquire as to whom their partners have been over the period, and either ensure that the current proposed partner has been on the engagement less than 5 years, or request that a new partner be assigned.

**Staff Recommendation:**

- Recommend award of the FY 2009-10 Annual Audit to one of the bidding firms.

**Fiscal Impact:**

Up to \$22,495 is proposed in the Commission’s FY 2010-11 Operating Budget. The Commission will be asked to approve the budget at its meeting on May 3, 2010.