



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. 12

FEBRUARY 10, 2010 – Finance
Smith (Chair), Dear
FEBRUARY 22, 2010 – Board Meeting
Prepared by: Mary-Ann Rexroad
Submitted by: Margaret Moggia
Approved by: Rich Nagel

CONSENT CALENDAR

AUDIT SERVICES

SUMMARY:

West Basin Municipal Water District (West Basin) is required to obtain an Annual Audit Opinion. This information is important because it is used to convey the financial results of West Basin to its bondholders, granting agencies and other interested parties. The audit must comply with Generally Accepted Auditing Standards (GAAS), Generally Accepted Accounting Principles (GAAP), and as a government entity the audit must also follow the U.S. General Accountability Office's (GAO) Government Auditing Standards (GAGAS), the Single Audit Act and OMB A-133, as well as various standards established by the Government Accounting Standards Board (GASB).

West Basin's current contract with its auditors expired on December 31, 2009 and as a result staff is preparing a "Request for Proposals" (RFP). The Finance staff is identifying qualified firms to perform the Annual Audit and Review of the Comprehensive Annual Financial Report (CAFR) and inviting them to register on the Network, West Basin's online bidding notification system.

In addition, staff has researched the Government Finance Officers Association (GFOA) Best Practices on Audit Procurement to help determine the appropriate contract term. The GFOA Best Practices on Audit Procurement suggests that governmental entities enter into multi-year agreements of at least five years. Staff also had discussions with other water agencies about the contract term and found that most had contracts for audit services of at least three years with many exercising its renewal option for two additional years. From past experience, staff has found a multi-year contract allows for greater continuity and also reduces audit costs. In order to secure the highest quality of service at a competitive cost, West Basin will be requesting a five-year agreement term.

Staff expects to issue the RFP for audit services in February 2010 and make a recommendation to the Finance Committee in April 2010.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 4: Sound Financial and Resources Management – West Basin is committed to efficient business operations, financial planning, and asset management.

FISCAL IMPACTS:

Funds are included in the Fiscal Year 2009-10 Finance and Support Services Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on February 10, 2010 and agendized to the February 22, 2010 Board meeting Consent Calendar.

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

None.

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