

County of Butte

Audit Committee

Butte County Administration Conference Room

25 County Center Drive, Oroville, CA

April 20, 2012

## **Minutes**

### **Call to Order**

The Butte County Audit Committee meeting was called to order by Maureen Kirk at 10:00 am.

### **Committee Members Present:**

Supervisor Kirk; Paul Hahn, CAO; Greg Iturria, CFO; Linda Barnes, Treasurer and Tax Collector; Dave Houser, Auditor-Controller

### **Also Present:**

Tom Limper, Deputy CFO

#### **I. Review and Approve**

Minutes from September 29, 2011 meeting – Motion by Paul Hahn, second by Linda Barnes to approve the minutes from the September 29, 2011 Audit Committee meeting. Motion carried unanimously.

#### **II. Discussion**

Discussion proceeded regarding the potential contract for independent auditing services as a result of 12 Request For Proposal packets sent to prospective firms on March 8, 2012. One response was received by the due date of April 6, 2012 from Gallina, LLP, the firm that has performed the audit for Butte County the last 6 years. Tom Limper provided a brief history of the proposal process six years ago, whereby 24 requests were sent out and only 2 responses received. In response to the question of satisfaction with Gallina, LLP, Tom Limper responded that the County has worked well with staff of Gallina, LLP and, given the circumstance, would recommend continuing with Gallina.

Dave Houser expressed that the work relationship with Gallina has been a good one, in general, and in one particular case of dissatisfaction with one Gallina staff member,

Gallina was responsive and removed the staff from the audit. Dave Houser stated that the average hourly rate, based on the number of hours Gallina provided that they would require to complete the audit, is \$103 per hour. In comparison, the average rate for the upcoming Redevelopment Agencies audit is \$144 per hour. Dave Houser also responded to the question of the low response – he has learned that several smaller counties are having difficulty procuring independent auditing services. One reason may be that audits will soon be conducted on approximately 458 Redevelopment Agencies throughout the State, and auditing firms may have enough work, currently.

In response to the question of independence issues with Gallina, since the County has contracted with the firm the last 6 years, Greg Iturria stated that, at the County level, there is a separation of duties whereby the Finance Office administers the contract and the Auditor's Office works with the independent auditor staff during the audit process. This provides a level of comfort from the County perspective.

Linda Barnes stated that her office has been satisfied with the work performed by Gallina for the Treasury Oversight Committee portion of the audit.

A motion was made by Dave Houser to contract with Gallina, LLP for 3 years. Greg Iturria seconded. Motion carried unanimously.

### **III. Public Comment**

No public comment

**Meeting Adjourned by Supervisor Kirk at 10:12 am.**