

DATE: March 19, 2012
MEETING OF: March 27, 2012
FROM: Staff
RE: Action Item XI.1 – Audit Agreement

BACKGROUND

The CDFA (California Department of Food and Agriculture) requires DAA's to conduct an annual financial audit and a procedural audit every two years. In 2011 the Fair conducted both a fiscal and procedural audit for the year ending, December 31, 2010. As described by the attached letter from Rebecca Desmond, Director, the Department is only requiring fairs to have a financial audit "at this time". The CDFA Audit Office (per attached email) is willing to perform the required audit work for \$13,400.

FISCAL IMPACT

The cost to the Fair is a fixed price of \$13,400.

STAFF RECOMMENDATION

The Board approves a motion to execute an agreement with CDFA for the 3011 financial audit for a fixed fee of \$13,400.

ATTACHMENTS

- CDFA letter dated 7/21/2011 by Rebecca Desmond, Director, whose subject is "Fair audit requirements".
- CDFA Audit Office e-mail dated 2/23/12, from Shakil Anwar, Assistant Audit Chief, whose subject is "CDFA Audit Estimate".



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

July 21, 2011

To: All Fairs

Subject: Fair audit requirements

The California Department of Food and Agriculture's Division of Fairs & Expositions (F&E) has prepared guidelines fairs must follow should they choose to contract with a Certified Public Accountant (CPA) firm to perform their annual fiscal audit. The guidelines include the minimum requirements and scope of work for an audit (Audit Program enclosed). If you have not received an audit for 2010, you must have a financial audit completed by December 31, 2011 and annually thereafter. Please note at this time the Department is only requiring fairs to receive a financial audit. The financial audit report must include financial statements, notes to the financial statements, and an independent auditor's report.

All audits must be performed by a CPA firm that must follow all Generally Accepted Accounting Principles, Governmental Accounting Standard Broad requirements, and Governmental Auditing Standards. Contracting with CPA firm requires that you follow all State bidding and soliciting guidelines.

Fairs may continue to utilize the Department's Audit Office for their annual audit. If you wish to exercise that option, please contact the Audit Office directly at 916-322-3300 for a cost estimate for audit services. Fairs will be responsible for the cost associated with the audit whether performed by the Audit Office or a private CPA firm. Note that the Audit Office cannot partake in the State bidding process as they are a public agency.

F&E must receive a copy of both the preliminary and final version of the financial audit. If you have any questions please contact John Quiroz at John.Quiroz@cdfa.ca.gov or via phone at 916-263-2962.

Thank you,

Rebecca Desmond
Director



Subject: Fwd: CDFA Audit Estimate
From: William Barton (wbarton1@mac.com)
To: dave@bestberrys.com;
Date: Wednesday, March 21, 2012 3:32 PM

Here it is. see below.

Bill
Sent from my iPhone
William Barton
wbarton1@mac.com
(831) 251-1691

Begin forwarded message:

From: Shakil Anwar <shakil.anwar@cdfa.ca.gov>
Date: March 14, 2012 10:21:25 AM PDT
To: wbarton1@mac.com
Subject: RE: CDFA Audit Estimate

Hello,

Per your request, I am sending the audit program that F&E has prepared regarding audits.

From: Shakil Anwar
Sent: Thursday, February 23, 2012 4:43 PM
To: 'wbarton1@mac.com'
Subject: CDFA Audit Estimate

Hello,

The CDFA Audit Office could perform an audit of the 14th DAA, Santa Cruz County Fair, for a cost of \$13,400. This includes the amount allowed for travel expenses per the State's Bargaining Units for the auditor in charge.