

SEWER AUTHORITY MID-COASTSIDE  
Staff Report

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**Subject / Title**

Authorize Manager to Accept Proposal from Moreland and Associates to Complete FY 2007-08 Audit.

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**Staff Recommendation:**

Authorize Manager to Accept Proposal from Moreland and Associates to Complete FY 2007-08 Audit.

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**Fiscal Impact:**

\$19,800, Sufficient Funds are available, but not in the same account. Most funds will come from Acct No. 5041002, (Audit Fees). \$1,490 will be transferred from Acct No. 5041006, (Other Professional Svcs), to complete the required dollar amount.

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**Discussion/Report:**

SAM staff has received a proposal from Moreland & Associates for SAM's FY 2007-08 auditing services. This years audit proposal reflects a 1.2% increase from last years quote, and \$3,000 has been added to the proposal for the implementation of the fifth element desired by SAM for compliance of the new Statements on Auditing Standards (SAS's) No. 104-111, "The Suite of Audit Risk Standards". These new standards will require additional time for the documentation of analysis of audit risk, and as well, implementing SAS No. 114, "The Auditors Communications with Those Charged with Governance".

This process is lengthy, as Moreland and Associates will need to assess the risks, document the process of how they accomplished their assessment and recommend steps necessary to perform, with regard to those risks, so that everyone can understand the changes that will be made. This is a new mandated requirement to SAM's regular audit process which normally includes four other elements desired by SAM: Audit of FY 2007-08, State Controllers Report, Comprehensive Annual Financial Report FY 2007-08 and statistical section to include mandatory compliance with GASB Statement No. 44, Economic Condition Reporting which requires compilation of the statistical section to the CAFR.

SAM has engaged Moreland & Associates to perform audit services for the past five fiscal years. SAM has a policy of rotating auditors every five years, with a two year extension granted by the SAM Board at the October 15, 2007 SAM Board meeting. Our experience with this firm continues to find them to be extremely thorough and professional and they have completed the audit in a timely manner in each of the past five years. They are not only familiar with our fiduciary background, but they continue to maintain a good working relationship with staff.

Therefore, staff recommends that the Board authorize the Manager to execute the Agreement with Moreland & Associates for auditing services for FY 2007-08.

There are no attachments to this staff report.