

MARIN GENERAL SERVICES AUTHORITY
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MEMORANDUM

DATE: January 12, 2012
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM E: 2010 – 2011 Audit Report

Recommendation: Accept the Audit Report for 2010 – 2011 prepared by John Maher Accountancy.

Background: John Maher Accountancy has prepared the audit report for the 2010 – 2011 fiscal year. In the Management Representation letter to Maher Accountancy, we included the following statement: “As part of your audit, you prepared the draft financial statements and related notes. We have designated a competent employee to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.” As we have done in the past, in order to meet the letter and intent of that statement, a board member who has substantial municipal finance background, reviewed the draft financial statement and audit report. Again this year, Michael Frank, served that role. My thanks to Mr. Frank.

The report’s cover letter to the Board, referred to as the “Auditor’s Communication with the Board,” includes the following paragraph:

The Taxi Program manager maintains documentation to manage tax permits. We noted that the control listing used to manage (and) track taxi permits did not provide (a) clear historical record of transactions (dates permits were issued, surrendered, etc.). We recommend that a record of each transaction be entered and retained (e.g., individual transactions are not altered to reflect “current” status) and that the listing be regularly reconciled to cash activity entered in the general ledger. Further, management should periodically verify that entries in the control listing match the underlying documentation.

Jeff Rawles, Carla Overberger and I met with Mr. Maher in December to review and implement Mr. Maher’s recommendation. A new data base has been set up which meets Mr. Rawles objective of tracking all companies, vehicles, and drivers and their respective permits as well as meets Mr. Maher’s objective of relating that data base to financial

transactions. As recommended, staff will periodically reconcile that data base to the financial transactions.

The report contains no exceptions or other management recommendations. Given the clean report and lack of any issues found in the audit, Mr. Maher has not been asked to attend the Board meeting.

c: John Maher

Attachment
2010 – 2011 Audit Report