

MINUTES OF THE TREASURY OVERSIGHT COMMITTEE
ORANGE COUNTY, CALIFORNIA

SPECIAL MEETING

December 10, 2009

APPROVED

January 27, 2010

The Special Meeting of the Treasury Oversight Committee (TOC) held on December 10, 2009 at the Orange County Treasurer's Office, 11 Civic Center Plaza, Conference Room A, Santa Ana, CA 92701, and called to order by David Sundstrom, Chair, at 10:06 AM.

Committee Members:

Present:

David Sundstrom, Auditor-Controller (Chair)
Bob Franz for Tom Mauk, CEO, Public Finance
George Jeffries, Treasurer, City of Tustin

By Teleconference:

Bill Habermehl, Superintendant, O.C. Dept of Education

- **Location:** Orange County Dept. of Education
200 Kalmus Drive
Costa Mesa, CA 92626

Dr. Raghu Mathur, Chancellor, S.O.C.C.C.D.

- **Location:** Saddleback College
28000 Marguerite Parkway
3rd Floor, Room #330
Mission Viejo, CA 92692

Also present were:

Chriss Street, Treasurer-Tax Collector; **Paul Gorman**, **Jennifer Burkhart**, **Paul Cocking**, **Fahad Haider**, **Ginika Echebiri**, **Keith Rodenhuis**, and **Yvette Clark** from the Treasurer's office; **Angie Daftary** from County Counsel (by telephone); **Nancy Ishida** and **Christine Young** from Auditor-Controller's office; and **Lou Bronstein** from Supervisor Bates Office.

1) Meeting Called to Order

Mr. Sundstrom called the meeting to order.

2) Welcome and Self-introductions

Introductions were made.

3) Public Comments

None.

4) Approval of Prior Meeting Minutes

- Mr. Jeffries **moved** to approve the Minutes of the October 28, 2009 Meeting. Dr. Mathur **seconded**. **Approved 4-0**. Abstention from Mr. Franz.

5) Review Recommendation By RFP Committee To Award A Contract For Annual Treasury Compliance Audit Services To Fulfill Requirements Of Cal. Gov. Code Section 27134 For A Three Year Term Beginning December 31, 2009 Renewable For Two Successive One-Year Terms

- Mr. Gorman stated that the recommendation of the evaluation committee is Vavrinek, Trine, Day & Company (VTD). Their reasoning is based on the broader experience VTD has, as well as an RFP response that was well-prepared. VTD has done more treasury compliance audit work for other agencies as well.
- Mr. Gorman also stated that Macias Gini & O'Connell (MGO) had an appropriate response as well.
- Ms. Echebiri added that VTD's pricing was the most competitive of the top three scoring vendors, as much as \$20,000 less per year than MGO
- Dr. Mathur made a motion to accept the recommendation. Mr. Jeffries seconded but with discussion.
- Mr. Jeffries inquired whether the vendors were interviewed by the evaluation committee in person. Mr. Gorman responded that they were not as the committee was familiar with the top three firms and had no other concerns.
- Mr. Sundstrom stated that he had some concern regarding Internal Audit not being chosen. He is concerned that it may result in personnel cuts within the County. Mr. Sundstrom wanted to clarify that Internal Audit is not his audit department, but the Board of Supervisor's which is run by Dr. Peter Hughes.
- Mr. Sundstrom asked for clarification regarding Internal Audit's score on the scope of work. Mr. Gorman responded that Internal Audit's response to the firm experience section was put in the staffing portion of the RFP and to others on the evaluation committee who weren't familiar with Internal Audit's treasury work, it looked as if they didn't have much experience. Also, this score was based on the time elapsed between now and the Internal Audit's last treasury compliance audit as well as their experience on this type of audit being limited to their work for Orange County.
- Dr. Mathur commented that he believes an outside party is a good choice considering the negative press releases & Grand Jury inquiries.
- Dr. Mathur **moved** to accept the RFP committee's recommendation of Vavrinek, Trine, Day & Company and submit to the Board of Supervisors for

approval to award contract to winning bidder. **Approved 4-0** with abstention from Mr. Franz.

6) Public Comments

None

7) Schedule Next Meeting

- The next meeting was scheduled for January 27, 2010 at 3:00pm at the Auditor-Controller's Conference Room 300, 12 Civic Center Plaza, Santa Ana, CA 92701.

8) Adjournment

- Mr. Sundstrom adjourned the meeting at 10:24 am.