

Marin General Services Authority
555 Northgate Drive, Suite 230, San Rafael, CA
Phone: (415) 448-0359
www.maringsa.org

MEMORANDUM

DATE: May 15, 2014

TO: MGSA Board of Directors

FROM: Paul Berlant, Executive Officer

SUBJECT: AGENDA ITEM E: 2012 – 2013 Audit Report

Recommendation: Accept the Audit Report for 2012 – 2013 prepared by John Maher Accountancy.

Background: John Maher Accountancy has prepared the audit report for the 2012 – 2013 fiscal year. As is customary, 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 intent of that statement regarding review, 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. Thank you, Mr. Frank.

Audit Report Findings

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

“Other Audit Findings or Issues

- Collections of money through the Taxi Program are not subject to adequate internal controls. We recommend that a formal process involving appropriate segregation of duties be implemented to this program. We also recommend that a formal collection procedure be communicated to drivers and cab companies that will allow for uniform system of collections.
- Payments to the members for AVA funds are printed by the county and mailed to the program manager for individual disbursement. We recommend that the county issue these payments directly to the members, preferably using an electronic payment method.”

These findings/issues, as well as my responses, were further addressed by Mr. Maher in an “Internal Control Letter.” I have worked with Mr. Maher to arrive at a set of procedures regarding invoicing and collection of taxi permit fee payments that address Mr. Maher’s findings and recommendations. These include utilization of QuickBooks software made operational this fiscal year which will allow our office staff to initiate invoicing for and collection of Company and Vehicle Permit fees. Further routinized oversight on my part will add an additional layer of control. As to the AVAP payments, beginning in FY 2014 - 15, we will be asking the County to issue electronic fund transfers and automated email notification to the cities/towns for quarterly payments. These procedures should meet the concerns raised by Mr. Maher.

The report contains no exceptions or other management recommendations. Given the resolution of the issues raised in the Internal Control Letter and otherwise clean report, Mr. Maher has not been asked to attend the Board meeting. However, should a board member wish to discuss or review the report at the May 15th meeting with Mr. Maher, he is available to attend. Please let me know by Monday, May 12th, and I’ll invite Mr. Maher.

c: John Maher

Attachment

2012 – 2013 Audit Report in Electronic Format (a hard copy is available)