

MINUTES OF THE TREASURY OVERSIGHT COMMITTEE
ORANGE COUNTY, CALIFORNIA

SPECIAL MEETING

January 29, 2010



The Special Meeting of the Treasury Oversight Committee (TOC) held on January 29, 2010 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 10:31 AM.

Committee Members:

Present:

David Sundstrom, Auditor-Controller (Chair)
Bob Franz for Tom Mauk, CEO, Public Finance

By Teleconference:

Ms. Wendy Benkert for Bill Habermehl Superintendent,
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:** Residence
25061 Luna Bonita Drive
Laguna Hills, CA 92653

Mr. George Jeffries, Treasurer, City of Tustin

- **Location:** Residence
14261 Galy Street
Tustin, CA 92780

Also present were:

Paul Gorman, Ginika Echebiri, and Yvette Clark from the Treasurer's office; **Angie Daftary** from County Counsel; **Nancy Ishida** from Auditor-Controller's 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) Review Additional Information Concerning The Treasury Compliance Audit RFP Process And Discuss The Option Of Rejection All Bids And Issuing A New RFP

- Mr. Gorman explained the procedure used in the RFP process. He stated that he spoke with the Treasurer's Purchasing Manager and she confirmed that all of the bids for this RFP (No. 074-512779-TED) remained sealed until the closing of the bid. The sealed envelopes were left in an unsecured office, but remained sealed until they were all opened at once at the time of the Bid Closing.
- Mr. Sundstrom asked Mr. Gorman to clarify the difference in stamps on the three bids and why the Vavrinek, Trine & Day (VTD) stamp appeared to be on a cover page rather than the envelope.
- Mr. Gorman explained that the stamp was not on the cover page of VTD's RFP submission, but rather on the paperwork attached outside of the submission. He stated that the envelope remained sealed. He further explained that the stamp normally available to staff in the mailroom was not available so staff used a different stamp that was.
- Mr. Jeffries asked why there was a noticeable difference in the amount of hours VTD proposed compared to the hours Internal Audit and Macias, Gini & O'Connell proposed.
- Mr. Gorman stated that he is not sure, but it may be that VTD used their experience with the audits of San Bernardino County to estimate how many hours it would take to complete Orange County's audit. He also stated that VTD has also worked on other audits for the County and could have sampled data as to how many hours Internal Audit takes.
- After re-examination by the TOC committee of the underlying issues with the RFP process, Dr. Mathur **moved** to accept the results of the RFP process for the Treasury Compliance Audit (RFP No. 074-512779-TE) and submit to the Board of Supervisors for approval to award contract to winning bidder. Mr. Jeffries **seconded**. **Approved 4-0** with abstention from Mr. Franz.

5) Public Comments

None

6) Schedule Next Meeting

- The next meeting was scheduled for April 28, 2010 at 3:00 pm at the Auditor-Controller's Conference Room 300, 12 Civic Center Plaza, Santa Ana, CA

92701.

7) Adjournment

- Mr. Sundstrom adjourned the meeting at 10:46 am.