

AGENDA ITEM

January 181 Contract Authorization – State Audit

DATE: January 3, 2011

TO: Members, Board Audit Committee
Members, Board of Governors

FROM: Office of Finance

SUBJECT: Contract Approval for State Audit

EXECUTIVE SUMMARY

Under Board Policy, Tab 17 [Control Policies & Procedures], Article 3 [Contracts], Section 2 [Authority], contracts in excess of \$75,000 involving consulting services, capital equipment, or technology purchases must be authorized by the Board of Governors. Authority is sought here to proceed with the contracts described in this item.

BACKGROUND

Tab 17 [Control Policies & Procedures], Article 3 [Contracts], Section 2 [Authority] of the Board's Policy Book states as follows:

“No contracts or consulting services, capital equipment, or technology purchases exceeding \$75,000 may be entered into, by or on behalf of the State Bar unless authorized by the Board of Governors. Any future amendments to a contract originally below the \$75,000 threshold that will result in bringing the total contract amount to this level will also require Board approval.”

Exempted are those contracts associated with the normal operations of the Bar including but not limited to site agreements, Admissions consultants, IOLTA and Equal Access grant distributions, and other routine contracted services exceeding \$75,000.

“Also exempted are cases of emergency where purchases necessary for the immediate preservation of the public health, welfare or safety, or protection of State Bar employees or property provided the details justifying an emergency contract and other supporting documentation being reported to the Board at its

next schedule meeting.”

This policy was recently adopted as amended by the Board of Governors at its March, 2010 meeting.

Authority is sought to proceed with the State Bar’s regular Procurement Process on the following contract that is governed by the above policy:

ISSUE

Performance Audit to be conducted by the Bureau of State Audits

Pursuant to Section 6145(b) of the Business and Professions Code, the Bureau of State Audits (BSA) will conduct a performance audit of the State Bar’s operations covering the period of January 1, 2010 through December 31, 2010. The BSA submitted a contract to the State Bar that was received on January 3, 2011.

CONCLUSION

Authority to proceed with the required audit is requested. The contract, in the amount of \$225,000 will run from January 7, 2011 through July 31, 2011. It is recommended that the Board authorize the Bar to proceed with this contract.

FISCAL / PERSONNEL IMPACT:

The contract amount of \$225,000 is budgeted in the Finance Department’s personal services budget.

RULE AMENDMENTS:

None

BOARD BOOK IMPACT:

None

RECOMMENDATION

Authority to proceed with the contracts is requested. If the Board Audit Committee and Board agree, adoption of the resolution below is recommended

PROPOSED BOARD COMMITTEE RESOLUTION:

Should the Board Audit Committee agree with the above recommendation, the following resolution would be appropriate:

RESOLVED, that the Board Audit Committee authorizes staff to proceed with the contract identified in the item before the committee this date, within the parameters set forth.

PROPOSED BOARD RESOLUTION:

Should the Board concur with the Board Audit Committee's recommendation, the following resolutions would be in order:

RESOLVED, that upon the recommendation of the Board Committee on Operations, the Board of Governors authorizes staff to proceed with the contract identified in the item before the Board this date, within the parameters set forth.