

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** May 4, 2009

**SUBJECT:** Audit Services Extension Proposal

**ATTACHMENTS:** Martin, Starnes & Associates, CPAs, P.A. Proposal

**SUMMARY OF REQUEST:**

Our current external auditors, Martin, Starnes & Associates, CPAs, P.A., is offering the attached proposal to extend audit services to Henderson County for the next three fiscal years. In light of the current economic environment, they have proposed a flat (no increase) fee of \$52,000 to conduct the County's FY2010 audit. Staff plans to evaluate and make a determination on bidding out audit services after FY2010.

**BOARD ACTION REQUESTED:**

Staff recommends that the Board accept the proposal submitted to perform Henderson County's annual audit for Fiscal Year 2010 at the stated flat fee of \$52,000. Martin, Starnes & Associates, CPAs, P.A. has agreed to the one-year term.

**Suggested Motion:**

**I move the Board accept the audit services proposal from Martin, Starnes & Associates, CPAs, P.A. to conduct the County's annual financial and compliance audit for Fiscal Year 2010 at the stated fee of \$52,000.**

## Carey McLelland

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**To:** Bryan Starnes  
**Subject:** RE: Audit Commitment extension proposal

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**From:** Bryan Starnes [mailto:BStarnes@martinstarnes.com]  
**Sent:** Tuesday, April 28, 2009 12:18 PM  
**To:** Carey McLelland  
**Subject:** RE: Audit Commitment extension proposal

We are fine with that. I am assuming we can still be your auditor after 2010, he may just want it rebid? If so, the RFQ process has worked well for units who want to go through the process and avoid the risk of low-ball firms.

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**From:** Carey McLelland [mailto:carey@hendersoncountync.org]  
**Sent:** Tuesday, April 28, 2009 11:56 AM  
**To:** Bryan Starnes  
**Subject:** RE: Audit Commitment extension proposal

Bryan,

I have am planning to place your proposal on the Board's next meeting agenda on Monday, May 4<sup>th</sup>. We are willing to commit for one year to do the 2010 audit at the stated \$52,000 fee, but not beyond at this point. Are you willing to accept this? Please let me know as soon as you can. Thanks.

Carey

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**From:** Bryan Starnes [mailto:BStarnes@martinstarnes.com]  
**Sent:** Tuesday, March 31, 2009 11:52 AM  
**To:** Carey McLelland  
**Subject:** Audit Commitment extension proposal

We have enjoyed serving the County for the past three years and would like to submit a proposal to extend our relationship three additional years. In light of the difficult economic times the County is facing, we are pleased to offer our fees as follows:

|                           |                        |
|---------------------------|------------------------|
| Year ending June 30, 2010 | \$52,000 (no increase) |
| Year ending June 30, 2011 | \$53,000 2%            |
| Year ending June 30, 2012 | \$54,000 2%            |

Our proposed fees result in an annual increase of 1.2% from 2009 – 2012, which will be significantly less than our increase in staff costs. We trust the County will acknowledge our commitment to Henderson County and to local governments across the State of North Carolina.

Please signify your acceptance of these terms by return email.

*Bryan W. Starnes, CPA, ABV*  
**MARTIN STARNES**  
& ASSOCIATES, CPAs, P.A.