



Costa Mesa Senior Center

Governed by the not-for-profit, tax exempt Costa Mesa Senior Corporation

May 18, 2010

The Honorable Allan Mansoor
Costa Mesa City Hall
77 Fair Drive
Costa Mesa, CA 92626

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Aviva Goelman

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Management Analyst

Dear Mr. Mayor and City Council

The Costa Mesa Senior Corporation is in receipt of correspondence from the City adding the following amendment to our proposed Agreement:

"At the City's option and at City's expense a forensic audit may be conducted during the term of this agreement."

The Board of Directors of the Senior Corporation is mystified as to why a forensic audit is even contemplated. All definitions of a forensic audit that we have found make it clear that they are conducted for the purpose of collecting evidence of criminal acts such as embezzlement, white collar crime, fraud, etc., for use in a court of law. The Board also questions the logic of providing for such an audit "...during the term of this agreement." Is the Council suggesting the Senior Corporation has committed such crimes? If so, the City could pursue its concerns through the legal system without the need for the proposed forensic audit amendment to the Agreement.

It is for the above reasons that Costa Mesa Senior Corporation, at its regularly scheduled meeting of May 18, 2010, voted unanimously to reject the proposed amendment to the proposed Agreement with the City of Costa Mesa regarding a forensic audit.

If the City Council is not satisfied with the integrity of the Senior Corporation's independent audit, the Board unanimously approved at that same meeting the addition of the following language to the agreement:

"The Costa Mesa Senior Corporation agrees that the City may contract with its independent auditor to perform an audit in accordance with generally accepted accounting principles (GAAP) of the Corporation's financial statements. The City shall be responsible for all costs of this independent audit, including costs incurred by the Senior Center staff."

We offer this alternative language in good faith and in the spirit of cooperation with the goal of resolving this issue to both party's satisfaction and in the best interest of the seniors we serve.

Sincerely,
Bruce Garlich, President, Board of Directors
Costa Mesa Senior Corporation

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