

Item No.: 4B

Date of Meeting: 9-10-18



**THE NORTHWEST
SEAPORT ALLIANCE**
Gateway to Solutions

External Financial Auditor Contract Amendment

Request

Request authorization for the CEO to execute an amendment to contract number 070369 for financial audit services with RSM US LLP, expanding the scope to include the single (federal grant) audit and increasing the contract value by a not to exceed amount of \$15,000 for fiscal 2018.



Background – Types of Audits

- Charter section Article 5.5 requires audited annual financial statements
- Annual Audits:
 - Annual financial audit
 - Accountability and compliance audit
 - Single (Federal Grant) audit



Background – Auditors

Type of Audit	NWSA	POS	POT
Annual Financial Audit	RSM	Moss	RSM
Single (Grant) Audit	SAO RSM	Moss	SAO RSM
Accountability Audit	SAO	SAO	SAO



Background – Audit Contract

Contract with RSM:

- Spring 2016 RSM awarded 3 yr. contract after restrictive procurement for audit services for annual financial audits (\$120,000).
- In 2017, SAO required financial audits comply with GAS and not GAAS (\$15,000).
- In 2018, SAO declined the single audit engagement.



Project Description: Contract Amendment

Scope of Audit:

- Annual Financial Audit
- Expand scope for Single Audit

Single audits and financial statement audits have similar requirements.

Accounting staffs from both homeports recommend that the NWSA external financial auditor perform the single audit to minimize incremental audit and staff costs.



Financial Implications

2016 - 3 Year contact (2016-2018)	\$ 90,000
2017 - Amendment - GAS	15,000
2018 - Amendment - Single Audit	15,000
Total	\$ 120,000
Less: Audit cost for 2016 & 2017	62,000
Remaining Contract Balance	\$ 58,000

Per the Master Policy, the CEO is authorized to approve personal services contracts where the cost does not exceed \$300,000, cumulative with amendments.



Request

Request authorization for the CEO to execute an amendment to contract number 070369 for financial audit services with RSM US LLP, expanding the scope to include the single audit and increasing the contract value by a not to exceed amount of \$15,000 for fiscal 2018, for a total contract value not to exceed \$120,000 for fiscal years 2016-2018.

