

Financial Audit Services Contract Extension



Request



Request authorization for the Executive Director to extend the financial audit services contract No. 070171 with RSM US LLP for one year in the amount of \$113,500 (total contract value of \$651,000 for 6 years).

The amendment will be filed with the Port of Tacoma Commission for authorization per Master Policy Resolution No. 2021-08-PT, section IV. E.(2).

Background – Types of Audits



Audit	Auditor
Annual Financial Audit & Single (Grant) Audit	RSM
Accountability Audit	SAO

Background – RSM Contract



In 2016 RSM was awarded the contract to perform the financial audits following a competitive procurement and authorization from the audit committee and commission.

- 3 yr. contract included two extension options (2016-2020)
- Contract amount of \$537,500, costs to date of \$483,500
- Grant audits were not required in 2019 and 2020
- RSM was awarded NWSA audit contract – limited procurement (homeport auditors)

Planned to issue RFP for 5-year audit contract in 2020

Reasons for the Extension



Pandemic situation – Expected to continue into late 2021

Complete adoption of GASB 87, Leases

Remote work environment challenges/risks:

- Ensure well vetted RFP process
- Challenges with on-boarding new auditors
 - Complexity of Port operations and NWSA JV
 - Pandemic's impact on operations and financial results
- Maintain alignment with NWSA Auditors

Scope of Audits



Scope of Audit for 2021:

- Annual Financial Audit
- Single Audit, if required
- Comprehensive Annual Financial Report
- Agreed Upon Procedures – ecology financial assurance

Financial Implications



5 Year contact (2016-2020)	\$ 537,500
Extension period (2021)	113,500
Total Contract	651,000

The 2021 audit costs were included in the 2021 Finance budget.

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