



# 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



<b>Audit</b>	<b>Auditor</b>
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
<b>Total Contract</b>		<b>651,000</b>

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

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