

External Financial Auditor Contract Amendment



Request authorization to amend contract number 070171 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 \$50,000 for fiscal years 2018-2020. The amendment increases the total contract value to a not to exceed amount of \$537,500 for fiscal years 2016-2020. The amendment will be filed with the Port of Tacoma Commission for authorization per Master Policy Resolution No. 2018-01-PT, section IV. E.(2).

Background – Types of Audits



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

Background – RSM Contract



- Spring 2016 RSM awarded contract after competitive procurement and authorization from the audit committee and commission.

3 yr. contract (2016-2018) \$280,000

Option period (2019-2020) \$197,500

Total \$477,500

- In 2017, SAO required financial audits comply with GAS and not GAAS - \$10K increase for 2017 & 2018.
- In 2018, SAO declined the single audit engagement.

Scope of Audit:

- Annual Financial Audit
- Expand scope for Single Audit

Single audits and financial statement audits have similar requirements:

- internal control understanding and testing, and
- financial statement audit.

Due to overlap of audit activities, staff recommends that RSM perform the single audit to minimize incremental audit and staff costs.

Financial Implications



3 Year contact (2016-2018)	\$ 280,000
Option period (2019-2020)	197,500
Total Contract	477,500
2017 Amendment - GAS	10,000
2018 Amendment - Single Audit	50,000
Grand Total	\$ 537,500

The 2018 Finance budget can absorb the additional cost.
Future budgets will be updated for the increase.

Request



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