

MOTION NO. M2012-18
Contract for On-Call Audit Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	05/3/12	Final Action	Celia Kupersmith, Deputy Chief Executive Officer David Hammond, Internal Audit Director	206-398-5037 206-398-5028

PROPOSED ACTION

Authorizes the chief executive officer to execute a two-year contract, with two one-year options to extend, with Moss Adams LLP to provide on-call audit services for a total authorized contract amount not to exceed \$300,000.

KEY FEATURES

- The proposed contract with Moss Adams is for on-call services for internal, third party contract, and performance audits. On-call audit services will be performed under task orders.
- Performance audit topics are selected by the Sound Transit Audit and Reporting Committee while internal and contract audits are developed in the annual internal audit planning process. The Audit and Reporting Committee will select 2013 performance audit topics in the second half of 2012.
- The proposed amount covers the two years of the contract. Funding for the option years will be considered by the Committee if/when necessary.

PROJECT DESCRIPTION

The Sound Transit Internal Audit Division is chartered to perform or oversee internal audits, performance audits, and third-party contract audits. The next contract audit is planned for the third and fourth quarters of 2012, and the next performance audit is planned for the first and second quarters of 2013. Internal audits are scheduled throughout the year and are performed by internal or external sources, or both.

FISCAL INFORMATION

Summary for Board Action (\$000s)

Action Item: Moss Adams - On-Call Audit Services

Current Year Budget	Adopted 2012 Budget	Spent to date in 2012	Contract Expenditures 2012	Remaining 2012 Budget
Executive Dept Accounting/Auditing Services	250	37	0	213

Contract Spending Plan	Prior Year(s) Spending	2012 Spending	Future Expenditures	Total
Moss Adams	-	75	225	300

Contract Budget	Current Approved Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
Moss Adams	-	-	300	300
Contingency	-	-	-	-
Total Contract	-	-	300	300
Percent Contingency	-	-	0%	0%

Notes:

Budget for this item is located on page 97 of the Adopted 2012 Budget book in the Executive Department staff budget, under the accounting/auditing services line within the services category. Budget for future expenses will be requested in future annual budgets.

SMALL BUSINESS PARTICIPATION

Goal: 0%
Commitment: 0%

A Small Business utilization goal was not required because specific audit topics are not yet identified. After topics are selected, if outside expertise is needed Moss Adams will be expected and encouraged to identify opportunities to engage Small Business participation, and to afford equal opportunity for that participation.

EQUAL EMPLOYMENT WORKFORCE PROFILE

1805 employees; 54% women; 20% minorities.

BACKGROUND

The Internal Audit Division conducts contract audits and performance audits. When Sound Transit does not have the in-house resources to complete an audit, outside firms may be asked to assist with certain areas of work. This action establishes an on-call services arrangement for execution of

audit tasks. Individual audit tasks will be performed under task orders, within the terms of this contract.

In January 2012, Sound Transit conducted a competitive procurement and issued a Request for Proposal (RFP) for Audit Services contracts for all three types of audits: internal, third party contract auditing, and performance.

In addition to the Moss Adams contract, staff has selected two other firms to provide contract audit services through the same solicitation process. Two of the three contracts are not before the Board because they are within the CEO's signature authority. This proposed action is for one contract for audit services.

Contract audits are planned annually, with the next audit commencing in the second quarter of 2012. Performance Audits are planned semi-annually, with the next audit commencing in the first quarter of 2013, following the Audit and Reporting Committee selection of an audit topic in December 2012.

ENVIRONMENTAL COMPLIANCE

Jl 4/24/2012

PRIOR BOARD/COMMITTEE ACTIONS

None.

TIME CONSTRAINTS

A one month delay would not create a significant impact to the schedule.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 4/26/12

MOTION NO. M2012-18

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a two-year contract, with two one-year options to extend, with Moss Adams LLP to provide on-call audit services for a total authorized contract amount not to exceed \$300,000.

BACKGROUND:

The Internal Audit Division conducts contract audits and performance audits. When Sound Transit does not have the in-house resources to complete an audit, outside firms may be asked to assist with certain areas of work. This action establishes an on-call services arrangement for execution of audit tasks. Individual audit tasks will be performed under task orders, within the terms of this contract.

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MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a two-year contract, with two one-year options to extend, with Moss Adams LLP to provide on-call audit services for a total authorized contract amount not to exceed \$300,000.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 3, 2012.



Paul Roberts

Operations and Administration Committee Chair

ATTEST:



Marcia Walker
Board Administrator