

# TRANSPORTATION AUTHORITY OF MARIN

## Questions & Answers Regarding RFP for Measure A Compliance Auditing Services

1. We noticed there were seven compliance reports issued in 2018 per TAM's website. Can you share the actual fees for those seven audits and how many hours were spent on each audit and on the engagement in total to help us understand the scope and fees of the 2018 audits?

The fee for the 2018 audit cycle is \$2,300 per compliance audit and the hours for each audit varies based on the complexity of the project/program audited.

2. It appears from the Expenditure Plan that there are 12 potential recipients of Measure A funding. Is that correct? Does the number of audits change from year to year or are there seven audits each year like in 2018? If the number of audits changes based on funding provided, can you provide the expected number of audits for any future years where the number of recipients is known?

There are about 15 agencies/companies that are currently receiving Measure A Sales Tax funding from TAM. The number of auditees selected is based on TAM's current compliance audit policy and varies from year to year but should be between 5 and 8.

3. The Estimate of Cost table in the Request for Proposal appears to require an estimate of total hours expected to be incurred on the engagement rather than by recipient. If the number of audits changes from year to year, does TAM adjust the required testing to ensure the same total number of hours are incurred to complete the engagement each year?

The hours per audit varies significantly based on the project/program audited for the cycle. Please provide the work hours by staff as the average hours per audit. If hours provided are for the whole engagement, please note how many audits are assumed. In the past, TAM negotiated with the firm a fixed fee per audit based on the hourly rate and work hours provided.

4. We noted audit steps were listed in each audit report. It appears samples are taken of expense invoices, payroll transactions, procurements of professional service and construction contracts, environmental review documentation for construction contracts and closeout reports. Can you share how many sample items were tested

on an average 2018 audit for each of these steps to help determine budgeted hours? Is there a standard number or percentage of the total population of these transactions that TAM requires to be tested?

The audit firm has full discretion in the sampling process based on its own professional judgement and TAM does not require a standard percentage for the samples tested. However, for most of the audits, the total invoiced during the year is less than 4.

5. We noticed one of the steps that is performed is to discuss internal controls over Measure A receipts and disbursements with the recipients. Does each claimant have documented controls over these transactions or would the controls in place have to be identified through a walk-through with each recipient?

We believe each claimant has its internal controls in place, since most of the claimant are public agencies. If not, the controls then need to be identified through a walk-through with each recipient.

6. Is the approval of Measure AA expected to change the number of hours to complete the audit by creating new requirements that are required to be audited in addition to Measure A requirements? If so, does TAM know which year the number of hours will change and by how many hours?

No, approval of Measure AA should not change the amount of effort required for each compliance audit.

7. When are the recipients ready to begin the audits?

The audit usually begins in September and completes in November. TAM normally conducts a workshop to go over the process with auditees late August. The selected firm will be required to present the detail audit process and timeline at the workshop.

8. The engagement will be for three years with two option periods. Is the requirement to provide fees just for the initial three-year period or also the option periods.

The fees are only for the initial three-year period.