

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

☒ Action ☐ Information

MEAD Number:  
201951

Resolution:  
☒ Yes ☐ No

**TITLE:**

Procurement of External Audit Contract

**PRESENTATION SUMMARY:**

Guidance on contracting for the audit of WMATA's financial statements

**PURPOSE:**

The purpose of this resolution is to obtain full and open competition for the audit of WMATA's annual financial statements.

**DESCRIPTION:**

**Key Highlights:**

This resolution removes the restriction on employing external auditors for a period greater than five years thereby increasing competition.

**Background and History:**

OIG is currently exercising the option for FY2018 financial statement audit, which should be presented to the Board in October 2018. This is the last year of a five year contract. OIG will begin the process of rebidding the contract this summer for FY2019 and beyond financial statement audit. The FY2019 audit is expected to begin in March 2019.

**Discussion:**

Board Resolution 94-57 states: "no external auditor (can) be employed for a period in excess of five years." Many public corporations and government organizations do not require rotating firms conducting the annual audits of the financial statements. This resolution would allow the current external auditor to bid on the contract thereby increasing competition.

**FUNDING IMPACT:**

Possible cost savings.	
Project Manager:	Joseph Wilson III

Project	Office of Inspector General
Department/Office:	

**TIMELINE:**

<b>Previous Actions</b>	Briefed to Business Oversight Committee on January 11, 2018.
<b>Anticipated actions after presentation</b>	Board's consent on Annual Audit of WMATA's Financial Statement Resolution.

**RECOMMENDATION:**

Board's consent on Annual Audit of WMATA's Financial Statement Resolution.

**PRESENTED AND ADOPTED: January 25, 2018**

SUBJECT: ANNUAL AUDIT OF WMATA'S FINANCIAL STATEMENTS

**2018-04**

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Subsection 70(a) of the Washington Metropolitan Area Transit Authority (WMATA) Compact requires an annual audit of WMATA's financial accounts, conducted by qualified certified public accountants selected by the Board of Directors; and

WHEREAS, Resolution 94-57, established the award periods and funding for external auditor contracts, including that external auditors are not eligible to receive award of consecutive contracts; and

WHEREAS, Many public corporations and governmental organizations do not require that rotating firms conduct the annual audits of the financial statements; NOW, THEREFORE, be it

*RESOLVED*, That Resolution 94-57 is hereby rescinded; and be it further

*RESOLVED*, That external auditor contracts shall be awarded for periods not to exceed three years with a reserved right to extend the contracts for two additional one-year periods; and be it further

*RESOLVED*, That external auditor contracts shall not be extended for periods greater than five years; and be it further

*RESOLVED*, That external auditor contracts shall be funded out of such funds, which use under applicable law and regulations, will permit the implementation of this policy; and be it finally

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

  
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Patricia Y. Lee  
General Counsel

WMATA File Structure No.:  
13.3.4 Audits of WMATA by Non-Governmental Entities

**Motioned by Mr. Evans, seconded by Mrs. Hudgins**

**Ayes: 7 – Mr. Evans, Ms. Harley, Mr. Corcoran, Mr. McMillin, Mr. Goldman, Mrs. Hudgins and Mr. Horner**