

BEFORE THE CONTRACT REVIEW BOARD OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AMENDING A
CONTRACT WITH KPMG PEAT MARWICK
FOR CONDUCTING AN AUDIT OF THE
METRO EXHIBITION RECREATION
COMMISSION

) RESOLUTION NO. 90-1239
)
) Introduced by Rena Cusma,
) Executive Officer
)

WHEREAS, Section 7.H. of the Metro ERC consolidation agreement requires an audit of certain Commission accounts; and

WHEREAS, A need exists to document various accounting procedures to implement the consolidation; and

WHEREAS, KPMG Peat Marwick is Metro's approved auditor and is qualified to perform the work at a cost not to exceed TWENTY-THREE THOUSAND AND NO/100THS (\$23,000.00) DOLLARS; and

WHEREAS, Costs will be shared equally by the Metro ERC and Metro; and

WHEREAS, Adequate funds are available; and

WHEREAS, Pursuant to Metro Code Section 2.04.054(a)(3) prior to execution of any amendment exceeding \$10,000 to an existing Personal Services Contract the Metro Contract Review Board must exempt the amendment from the competitive procurement procedures of Section 2.04.053; now, therefore,

BE IT RESOLVED,

The amendment to Contract No. 900580 between Metro and KPMG Peat Marwick set forth and attached hereto as Exhibit 1 is hereby exempted from the competitive procurement process.

ADOPTED by the Council of the Metropolitan Service District
this 26th day of April, 1990.


Tanya Collier, Presiding Officer

CONVENTION AND VISITOR FACILITIES COMMITTEE REPORT

RESOLUTION NO. 90-1239, FOR THE PURPOSE OF AMENDING
CONTRACT NO. 900590 WITH KPMG PEAT MARWICK FOR AUDIT
SERVICES REQUIRED IN THE METRO ERC CONSOLIDATION
AGREEMENT.

Date: April 19, 1990

Presented by: Councilor
David Knowles

Committee Recommendations

The CVFC voted 3 to 0 to recommend Council adoption of Resolution No. 90-1239. Voting: Councilors Knowles, Hansen and McFarland. Absent: Buchanan and VanBergen. This action was taken April 10, 1990.

Committee Discussion/Issues

The Committee Chair noted that Resolution No. 90-1239 is before the CVFC because it involves an amendment to an existing contract - an amendment that is over \$10,000.

Jennifer Sims of Finance & Administration presented the staff report. She indicated that the consolidation agreement entered into between Metro and the Metro Exposition Recreation Commission, City of Portland and the City's Exposition-Recreation Commission requires an audit to be conducted of cash balances for which ownership was transferred effective January 4, 1990. The consolidation agreement was approved by the Metro Council on November 21, 1989.

Staff noted that the Council Finance Committee provided an informal authorization to proceed with the scope of work developed and reviewed with Metro ERC Staff, Commissioner Ben Middleton and KPMG Peat Marwick.

KPMG Peat Marwick is Metro's audit firm. An amendment to the audit contract is requested. The estimated \$23,000 contract cost will be shared equally by the Metro ERC and Metro's Convention Center Management Fund.

There being no questions or issues raised by the committee, Councilors voted unanimously to recommend Council adoption of Resolution No. 90-1239.

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EXHIBIT 1

I. REVIEW OF CASH AS OF DECEMBER 20, 1989 AND THE ACTIVITY THROUGH JANUARY 4, 1990

CASH

- Obtain relevant supporting schedules as of December 20, 1989 (cash lead sheets and bank reconciliations) and agree them to the December 20, 1989 trial balance, general ledger and subsidiary records, if any. Verify the mathematical accuracy of the schedules.
- Ascertain that all bank accounts are included on the schedule through inquiry of ERC management.
- Request confirmation as of December 20, 1989 from depositories.
- Upon receipt of confirmation from banks:
 - (a) Check balances confirmed to the bank reconciliations prepared by management.
 - (b) Ascertain that other matters confirmed (notes payable, assets pledged, etc.) are properly recorded.
 - (c) Inquire as to the existence of any restrictions on availability of recorded balances.
- Obtain a tabulation of transfers between bank accounts including transfers to and from Cash Held With City Treasurer, for five days before and after December 20, 1989 and ascertain that both sides of these transactions have been properly recorded.
- Ascertain that checks issued and debit/credit memos representing transfers between bank accounts are included on the tabulation of transfers between bank accounts.
- Trace deposits in transit shown on bank reconciliations as of December 20, 1989 to bank statements and ascertain the time lag.
- Ascertain that checks issued and dated prior to December 20, 1989 are listed as outstanding on the bank reconciliations.
- Identify checks issued with dates not agreeing with period recorded in cash disbursements book.
- Identify a sample of checks shown as outstanding on bank reconciliations and ascertain that they cleared the bank.
- Ascertain whether reconciling items other than outstanding checks and deposits in transit are properly recorded.

- Identify a sample of deposits and disbursements for five days before and after December 20, 1989 and ascertain that they are properly recorded.
- Review the activity from December 21, 1989 through January 4, 1990 via review of journal entries and the January 17, 1990 trial balance and general ledger and note any unusual items or large adjustments effecting cash or cash held with City Treasurer.
- Ascertain that all bank accounts have been reconciled to the general ledger at January 17, 1990.
- Identify any unmatched cash transfers occurring at or around January 4, 1990.
- Inquire of management as to any unusual events as they relate to cash during the period from December 21, 1989 through January 4, 1990.
- Review accounting principles for appropriateness.

II. SYSTEMS EVALUATION AND DOCUMENTATION OF CONTROLS

CASH

- Inquire and document procedures and controls relating to cash on hand.
- Inquire and document cash disbursements cycle as it relates to ERC facility cash accounts.
- Inquire and document cash disbursements cycle as it relates to cash held by the City Treasurer.

TRADE RECEIVABLES

- Inquire and document procedures which relate to the follow-up and analysis of allowance for doubtful trade receivable accounts.

CITY OF PORTLAND ACCOUNTS PAYABLE SYSTEMS

- Inquire and document the procedures and controls currently in place in regard to the ERC accounts payable system and the City of Portland accounts payable processing.
- Complete a narrative for the expenditure cycle.

EVENT SETTLEMENT PROCEDURES

- Inquire and document the event settlement procedures and controls currently in place.

OTHER SYSTEMS DOCUMENTATION

- Inquire of ERC management the procedures and controls currently in place over the following revenue/expenditure cycles:

- Rental Revenue
- Parking Revenue
- Concessions Revenue
- User Fee Revenue

III. The additional costs of performing the scope of work contained in this Exhibit 1 shall not exceed TWENTY-THREE THOUSAND AND NO/100THS (\$23,000.00) and shall be paid as provided for in Contract No. 900580.

IV. Except as specifically provided for herein all other provisions of Contract No. 900580 shall remain in full force and effect.

Agreed to this _____ day of _____, 1990.

KPMG Peat Marwick

Metropolitan Service District

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 90-1239 FOR THE PURPOSE OF AMENDING CONTRACT NO. 900580 WITH KPMG PEAT MARWICK FOR AUDIT SERVICES REQUIRED IN THE METRO ERC CONSOLIDATION AGREEMENT

Date: March 30, 1990

Presented by: Neil Saling

FACTUAL BACKGROUND AND ANALYSIS

The consolidation agreement entered into between Metro, the Metro Exposition-Recreation Commission, City of Portland and the City's Exposition-Recreation Commission requires an audit to be conducted of cash balances for which ownership was transferred effective January 4, 1990. The consolidation agreement was approved by the Metro Council on November 21, 1989.

The scope of work required for such an audit has been developed and reviewed with Metro ERC staff, Commissioner Ben Middleton and KPMG Peat Marwick. The Director of Finance and Administration made a presentation to the Council's Finance Committee previously to ascertain their willingness to proceed with the work. The Finance Committee provided an informal authorization to proceed.

KPMG Peat Marwick is Metro's approved audit firm. An amendment to the audit contract is brought to you at this time for approval. This amendment is requested pursuant to Section 2.04.054 of the Metro Code. The intent of the work is to audit cash balances for accounts which came under ownership of Metro on January 4, 1990. In addition, certain systems documentation is to be developed in order to provide information necessary to move toward an effective and efficient transition of work from the City of Portland to Metro as it relates to the Accounting functions of accounts payable, accounts receivable and payroll.

BUDGET IMPACTS

The estimated \$23,000 contract expense will be shared equally by the Metro ERC and Metro's Convention Center Management Fund.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 90-1239 which authorizes an amendment of Contract No. 900580 with KPMG Peat Marwick to perform audit services required by the consolidation agreement per section 7.H.

DC/srs



GRANT/CONTRACT SUMMARY

METRO METROPOLITAN SERVICE DISTRICT

GRANT/CONTRACT NO. 900580 BUDGET CODE NO. 558-23400-52
 FUND: GENV. CTR MGMT. DEPARTMENT: MERC (IF MORE THAN ONE) 550-231000-52
 SOURCE CODE (IF REVENUE) _____

INSTRUCTIONS

- OBTAIN GRANT/CONTRACT NUMBER FROM CONTRACTS MANAGER. CONTRACT NUMBER SHOULD APPEAR ON THE SUMMARY FORM AND ALL COPIES OF THE CONTRACT.
- COMPLETE SUMMARY FORM.
- IF CONTRACT IS —
 - SOLE SOURCE, ATTACH MEMO DETAILING JUSTIFICATION.
 - UNDER \$2,500, ATTACH MEMO DETAILING NEED FOR CONTRACT AND CONTRACTOR'S CAPABILITIES, BIDS, ETC.
 - OVER \$2,500, ATTACH QUOTES, EVAL. FORM, NOTIFICATION OF REJECTION, ETC.
 - OVER \$50,000, ATTACH AGENDA MANAGEMENT SUMMARY FROM COUNCIL PACKET, BIDS, RFP, ETC.
- PROVIDE PACKET TO CONTRACTS MANAGER FOR PROCESSING

1. PURPOSE OF GRANT/CONTRACT PERFORM AGREED UPON PROCEDURES RELATED TO ERC CASH BALANCES AT 1/4/90 AND SYSTEMS DOCUMENTATION

2. TYPE OF EXPENSE ☒ PERSONAL SERVICES ☐ LABOR AND MATERIALS ☐ PROCUREMENT
☐ PASS THROUGH AGREEMENT ☐ INTER-GOVERNMENTAL AGREEMENT ☐ CONSTRUCTION
☐ OTHER

OR

TYPE OF REVENUE ☐ GRANT ☐ CONTRACT ☐ OTHER

3. TYPE OF ACTION ☒ CHANGE IN COST ☒ CHANGE IN WORK SCOPE
☐ CHANGE IN TIMING ☐ NEW CONTRACT

4. PARTIES KPMG PEAT MARWICK AND METRO

5. EFFECTIVE DATE 3/88 TERMINATION DATE 12/31/90
 (THIS IS A CHANGE FROM _____)

6. EXTENT OF TOTAL COMMITMENT: ORIGINAL/NEW \$ 71,000
 PREV. AMEND _____
 THIS AMEND 23,000

TOTAL

\$ 94,000

7. BUDGET INFORMATION

A. AMOUNT OF GRANT/CONTRACT TO BE SPENT IN FISCAL YEAR 1989-90 \$ 23,000

B. BUDGET LINE ITEM NAME audit services AMOUNT APPROPRIATED FOR CONTRACT \$ 23,000

C. ESTIMATED TOTAL LINE ITEM APPROPRIATION REMAINING AS OF _____, 19____ \$ _____

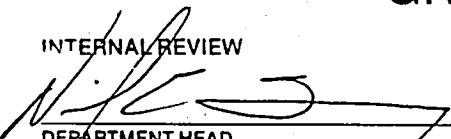
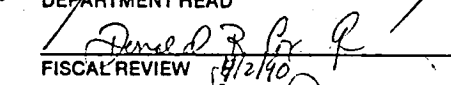
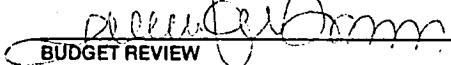
8. SUMMARY OF BIDS OR QUOTES (PLEASE INDICATE IF A MINORITY BUSINESS ENTERPRISE)

SUBMITTED BY _____	\$ _____	<input type="checkbox"/> MBE
	AMOUNT	
SUBMITTED BY _____	\$ _____	<input type="checkbox"/> MBE
	AMOUNT	
SUBMITTED BY _____	\$ _____	<input type="checkbox"/> MBE
	AMOUNT	

9. NUMBER AND LOCATION OF ORIGINALS _____

4. APPROVED BY STATE/FEDERAL AGENCIES? ☐ YES ☐ NO ☒ NOT APPLICABLE
5. IS THIS A DOT/UMTA/FHWA ASSISTED CONTRACT ☐ YES ☒ NO
11. IS CONTRACT OR SUBCONTRACT WITH A MINORITY BUSINESS? ☐ YES ☒ NO
IF YES, WHICH JURISDICTION HAS AWARDED CERTIFICATION _____
12. WILL INSURANCE CERTIFICATE BE REQUIRED? ☐ YES ☒ NO
13. WERE BID AND PERFORMANCE BONDS SUBMITTED? ☐ YES ☒ NOT APPLICABLE
- TYPE OF BOND _____ AMOUNT \$ _____
- TYPE OF BOND _____ AMOUNT \$ _____
14. LIST OF KNOWN SUBCONTRACTORS (IF APPLICABLE)
- | | | |
|------------|---------------|------------------------------|
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
15. IF THE CONTRACT IS OVER \$10,000
- A. IS THE CONTRACTOR DOMICILED IN OR REGISTERED TO DO BUSINESS IN THE STATE OF OREGON?
☒ YES ☐ NO
- B. IF NO, HAS AN APPLICATION FOR FINAL PAYMENT RELEASE BEEN FORWARDED TO THE CONTRACTOR?
☐ YES DATE _____ INITIAL _____
16. COMMENTS:

GRANT/CONTRACT APPROVAL

INTERNAL REVIEW	CONTRACT REVIEW BOARD	COUNCIL REVIEW
	(IF REQUIRED) DATE _____	(IF REQUIRED)
DEPARTMENT HEAD	1. _____	DATE _____
	COUNCILOR	
FISCAL REVIEW 4/2/90	2. _____	
	COUNCILOR	
BUDGET REVIEW	3. _____	
	COUNCILOR	

LEGAL COUNSEL REVIEW AS NEEDED:

- A. DEVIATION TO CONTRACT FORM _____
- B. CONTRACTS OVER \$10,000 _____
- C. CONTRACTS BETWEEN GOVERNMENT AGENCIES _____