
Puget Sound Partnership (PSP)

Agency: 478

Audit Report: 1003598

Finding Number: 001

Finding: The Puget Sound Partnership circumvented state contracting laws, exceeded its purchasing authority and made unallowable purchases with public funds.

Resolution: In response to this finding, the Partnership took or will take the following actions:

1. Discontinued use of a list of prequalified contractors, effective July 2009. Contracts are now procured on an individual basis, utilizing the request for proposal (RFP) when required by state contracting requirements.
2. Hired an experienced full time fiscal and contracts coordinator with a strong knowledge of state requirements. The Partnership is also in the process of hiring a fiscal and contracts manager.
3. Implemented new procedures requiring all contract proposals requiring competition, including sole source, to be reviewed by the director of Finance and the deputy director for completeness and accuracy prior to publishing any RFPs.
4. Instituted a centralized purchasing review and approval process, including the use of agency purchase cards. To ensure compliance with state procurement requirements, all proposed purchases of goods and services must be reviewed by the director of Finance and/or the deputy director consistent with the Partnership's purchasing policies prior to completing any transaction.
5. Took steps to comply with the Department of Information Services policies and standards including securing delegated purchasing authority for information technology (IT) acquisitions up to \$50,000; completing an information technology security audit; and finalizing the Partnership's IT portfolio. The Partnership also entered into an interagency agreement with the Recreation and Conservation Office to provide additional IT support to meet DIS security and purchasing requirements.
6. Adopted a new contracts policy and drafted revisions to the policies in the areas listed below. These policies are currently awaiting review and approval of the deputy director:
 - IT purchasing policy revised to be in compliance with the *State Administrative and Accounting Manual (SAAM)* and Information Services Board policies.
 - Purchasing and fiscal policies revised to ensure compliance with state requirements. These revisions address specific issues identified in the audit including the use of the state printer and outside legal counsel.
 - "Meeting with coffee and light refreshments" policy revised in accordance with SAAM.
7. Ensured staff involved in contract management took appropriate training classes, including internal Partnership training as well as required Office of Financial Management (OFM) contracts training. Training requirements will be incorporated into employee training plans and documented as needed for new staff.
8. Worked with OFM to ensure compliance with state accounting requirements related to conferences and related allowable expenses.

Status of Resolution of Audit Findings

December 2010

9. Requested OFM to engage internal audit staff from the Department of Social and Health Services to complete a review of the Partnership's federal contracts for the audit period. In addition, the federal Environmental Protection Agency will conduct an informal review of the Partnership's procedures to help ensure compliance with federal requirements.
10. Will provide training on new and revised policies, when adopted, to Partnership staff as appropriate.

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Status of Resolution of Audit Findings

December 2010

Puget Sound Partnership (PSP)

Agency: 478

Audit Report: 1003598

Finding Number: 002

Finding: The Puget Sound Partnership failed to enforce the terms of its agreements with a foundation it created, incurring costs without clear public benefit.

Resolution: In response to this finding, the Partnership took the following actions:

1. Implemented new procedures, effective February 2010, requiring all grant contract proposals to be reviewed by the director of Finance and the deputy director prior to publishing any request for proposals.
2. Adopted a new contracts policy and drafted revisions to purchasing and related fiscal policies to be in compliance with state requirements. These policies are currently awaiting review and approval of the deputy director:
3. Ensured staff involved in contract management took appropriate Office of Financial Management and internal Partnership training. This included training on contract monitoring and invoice review to ensure that deliverables and matching funds are received by grantees prior to the release of funds.

To ensure the value of public education and outreach contract expenditures in the future, the Partnership will include performance metrics options such as surveying public opinion, viewership, or other measures in the contract deliverables.

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