

Clipper® Executive Board

December 16, 2024

Agenda Item 2b

Clipper® Contract Change Order Amendment – Statement on Standards for Attestation Engagement (SSAE) No. 18 Annual Audit of Clipper Program: Cubic Transportation Systems, Inc. (Cubic) (\$200,000)

Subject:

Request for approval of Clipper Contract Change Order No. 159, Amendment No. 12 – Clipper Program Statement on Standards for Attestation Engagement (SSAE) No. 18 Audit for FY 2024-25: Cubic Transportation Systems, Inc. (\$200,000).

Background:

In May 2012, the MTC Operations Committee approved a contract change order (CO 159) to the Clipper contract for Cubic to engage a firm to assess Cubic's financial and system controls associated with fare processing, financial reconciliation, cardholder support services, card fulfillment, information system operations and card account management functions. These tasks are completed via a standard approach called a Statement on Standards for Attestation Engagement No. 18 Audit, also known as SSAE 18. This change order amendment (Amendment 12 to CO 159) would allow Cubic to engage a firm to perform an SSAE 18 Audit for Fiscal Year (FY) 2024-25.

Industry best practices recommend conducting annual audits to maintain a vendor's focus on controls. Transit agencies rely upon the SSAE report as part of their own annual audits, as an SSAE report can reduce the procedures required in agencies' own audit processes.

The first SSAE Audit under CO 159 was completed in November 2013 for FY 2012-13. CO 159 was subsequently annually amended to provide for SSAE Audits of each subsequent fiscal year. Most recently, this Board authorized the FY 2023-24 SSAE 18 Audit (Amendment 11 to CO 159) in December 2023.

This contract change order amendment was contemplated and funds were set aside for this purpose in the Two-Year Clipper Operating Budget and Work Plan approved by the Board on May 20, 2024.

Issues:

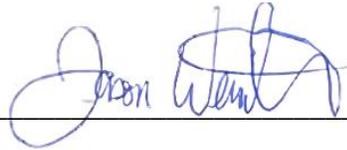
None identified.

Recommendation:

Staff recommends that the Board approve Contract Change Order No. 159, Amendment No. 12 with Cubic Transportation Systems, Inc. in the amount of \$200,000, for the SSAE 18 audit for FY 2024-25, as described above.

Attachments:

None.



Jason Weinstein

Request for Board Approval

Summary of Proposed Change Order Amendment

Contractor (or “Consultant”): Cubic Transportation Systems, Inc
San Diego, California

Work Project Title: Statement on Standards for Attestation Engagement (SSAE) No. 18
Audit for FY 2024-25 (Amendment #12 to CO-159)

Purpose of Project: To produce a SSAE 18 audit report regarding the Clipper program for
the 2024-25 fiscal year.

Brief Scope of Work: SSAE 18 audits provide an attestation report stating that management’s
financial and information technology controls have been tested as to
whether those controls effectively meet risk management objectives
during the observation period of the report.

Project Cost Not to Exceed: \$200,000

Funding Source: STA (State Transit Allocation), RM2 (Regional Measure 2), Operating,
SGR (State of Good Repair)

Fiscal Impact: Funds available in the FY 2024-25 MTC agency budget

Motion by Board: That Change Order No. 159, Amendment No. 12 with Cubic
Transportation Systems, Inc. for the purposes described above, and in
the Clipper Executive Director’s summary sheet dated December 16,
2024, is hereby approved by the Clipper Executive Board.

Clipper Executive Board:

Robert Powers, Chair

Approved: December 16, 2024