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ADOPTED - BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
MAY 7, 2009

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO.508
County of Cook and State of Illinois

Amendment to Internal Audit Services
Smart and Associates LLP.
Internal Audit Department
District Office

(Amend Board Report # 28963, adopted September 3, 2008)

THE CHANCELLOR

REPORTS

that in Board Report # 28963, adopted September 3, 2008 the Board authorized the Chairman to enter into an agreement with Smart Business Advisory & Consulting, LLC for a negotiated fee of \$130 per hour for fiscal year 2009 and \$137 for fiscal year 2010 for a not to exceed an annual amount of \$400,000 to provide internal audit service for a period of two (2) years beginning October 1, 2008 through June 30, 2010, with an option to extend for one (1) additional year in accordance with RFP# NU0809 dated June 26, 2008; and

that it is necessary to amend the contract with Smart Business Advisory & Consulting, LLC to include an assessment of internal controls related to sensitive data maintained in PeopleSoft in an effort to comply with the Payment Card Industry (PCI) Red Flag rule, as well as other data security standards in an amount not to exceed \$40,000; and

that the PCI Red Flag rule specifies that the analysis must be completed by a certified Quality Security Assessor (QSA) and that the Office of Internal Audit is requesting approval to amend the existing agreement with Smart Business Advisory & Consulting, LLC ; and

that this amendment for additional work is exempt from the District's competitive bidding requirements because contracts for material and work which have been awarded to the lowest responsible bidder after due advertisement but due to unforeseen revisions, not the fault of the contractor for materials and work, must be revised causing expenditures not in excess of 10% of the contract price; and

that the Office of M/WBE Compliance has reviewed the above amendment and, Smart Business Advisory & Consulting LLC currently providing specialized audit services, continues to be in compliance with the Board Approved Participation plan.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorizes the Chairman to amend the existing agreement with Smart Business Advisory & Consulting, LLC in an amount not to exceed \$40,000 to provide an assessment of internal controls related to sensitive data maintained in PeopleSoft in an effort to comply with Payment Card Industry (PCI), Red Flag rule.

FINANCIAL

\$40,000 – Education Fund -0003-0015002-00086-00000-000000-532100

Respectfully Submitted:

Wayne D. Watson
Chancellor