



Internal Audit Report

Comprehensive Operational Audit
Airport Transit Operations

Rental Car Facility

January 1, 2012 - March 31, 2013

Issue Date: June 11, 2013
Report No. 2013-09



Internal Audit Report
Airport Transit Operations - Rental Car Facility
For the period January 1, 2012 through March 31, 2013

Table of Contents

Transmittal Letter	3
Executive Summary	4
Background	5
Highlights and Accomplishments	5
Audit Scope and Methodology	5
Conclusion	6

Transmittal Letter

Audit Committee
Port of Seattle
Seattle, Washington

We have completed an audit of the Airport Transit Operations at the Rental Car Facility.

We examined information for the period January 1, 2012, through March 31, 2013.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We extend our appreciation to the Airport Operations Department's management and staff for their assistance and cooperation during the audit.



Joyce Kirangi, CPA, CGMA
Director, Internal Audit

Executive Summary

Audit Scope and Objectives We examined the activity of the Airport Transit Operations (ATO) shuttle services to the Rental Car Facility for the period from inception in January 2012, through March 31, 2013.

The purpose of the audit was to determine whether Port management is effectively and efficiently monitoring ATO related to payroll, expenses, and safety training.

Background The newly-constructed Rental Car Facility (RCF) opened in May 2012; however, ATO initiated activation in January 2012. Rental car services were moved from the first floor of the garage at Sea-Tac International Airport (STIA) to the new facility, which is approximately three miles from STIA. The RCF houses 13 rental car companies.

The ATO operates a shuttle service for arriving and departing passengers who plan to rent and drop off a vehicle. The shuttle service operates 24 hours a day, 365 days a year. The Port projects that the shuttle service will transport 4.5 million passengers annually between the lower drive of the Sea-Tac International Airport and the RCF. The program owns 29 Gillig buses and employs 72 staff, which includes 1 manager, 8 supervisors, 3 lead bus drivers, 1 administrative support staff, and 59 bus drivers (full-time, part-time, and relief). Additional bus drivers may supplement the summer operation to ensure appropriate levels of service.

Audit Result Summary Port management is effectively monitoring Airport Transit Operations related to payroll, expenses, and safety training.

Background

The newly-constructed Rental Car Facility (RCF) opened in May 2012; however, Airport Transit Operations (ATO) initiated activation in January 2012. Rental car services were moved from the first floor of the garage at Sea-Tac International Airport (STIA) to the new facility, which is approximately three miles from STIA. The RCF houses 13 rental car companies.

The ATO operates a shuttle service for arriving and departing passengers who plan to rent and drop off a vehicle. The shuttle service operates 24 hours a day, 365 days a year. The Port projects that the shuttle service will transport 4.5 million passengers annually between the lower drive of the Sea-Tac International Airport and the RCF. The program owns 29 Gillig buses and employs 72 staff, which includes 1 manager, 8 supervisors, 3 lead bus drivers, 1 administrative support staff and 59 bus drivers (full-time, part-time, and relief). Additional bus drivers may supplement the summer operation to ensure appropriate levels of service.

The ATO does not generate revenue; however, expenses are supported by revenue from Customer Facility Charges.

Financial Highlights

Description	2012
Salaries, Wages, & Benefits	3,284,400
Equipment Expenses	29,997
Supplies/Stock	71,216
Outside Services	280,196
Travel & Other Expenses	15,922
Telecommunication	4,710
General Expenses	6,213
Grand Total	3,692,654

Highlights and Accomplishments

During the course of the audit, we observed the following accomplishments of ATO:

- Developed safety training for bus drivers.
- Hired and trained approximately 59 bus drivers.
- Purchased 29 Gillig buses.
- Coordinated with the rental car companies to ensure a smooth transition for the companies and airline passengers.
- Conducted regular meetings with rental car representatives, to improve shuttle services based on customer feedback.

Audit Scope and Methodology

The scope of the audit covered the period from activation by ATO in January 2012, through March 31, 2013. We utilized a risk-based audit approach in planning and testing. We gathered information

through research, interviews, observations, analytical reviews, and obtained a complete understanding of the Airport Transit Operations. We reviewed the governing policies for operating the ATO and training bus drivers. We assessed significant risks and identified controls to mitigate those risks. We evaluated and tested whether the controls were functioning as intended.

We applied additional detailed audit procedures to areas with the highest likelihood of significant negative impact as follows:

Payroll

1. We determined whether the manual payroll processing was cost effective and efficient, by:

- Analyzing the cost of employee effort to process payroll
- Evaluating employee scheduling and monitoring

2. We selected a risk-based sample of 11 of 72 employees (total transactions tested: 138) and determined whether:

- Hours and shifts valid.
- Paid Time Off valid.
- Employees legitimate.
- Payroll properly approved and sufficiently documented.

Expenses

We tested a risk-based sample of 9 of 51 vendors (total transactions tested: 16) and determined whether expenses were:

- For valid public purpose and of benefit to the ATO program.
- Properly approved.
- In compliance with relevant rules and regulations.

Safety Training

We tested a risk-based sample of 2 drivers from 2 separate training classes attended by 29 drivers and determined whether they:

- Attended the class.
- Had been certified as passed.
- Possessed a current Commercial Driver License (CDL).

We also reviewed the incident log to determine the extent of reported incidents.

Conclusion

Port management is effectively monitoring Airport Transit Operations related to payroll, expenses, and safety training.