



Washington State Auditor's Office

Troy Kelley

Independence • Respect • Integrity

Exit Conference

Port of Seattle

December 3, 2013

Jim Griggs, Audit Manager

Matthew Rose, Assistant Audit Manager

Agenda

- Advantages of Audit
- Types of Audit
- Your Audit
- Status of prior audit recommendations
- Report publication
- Next scheduled audit
- Customer service survey

Advantages of Audits

- Protects the interests of the taxpayers.
- Provides unbiased recommendations.
- Helps identify weaknesses in internal controls.
- Helps prevent errors and fraud.
- Saves money.

Types of Audits

✓ Accountability Audit

- Determine if controls are in place to protect public resources and if the entity is in compliance with laws and regulations relating to financial matters.

✗ Financial Statement Audit

- Ensure that financial statements are materially correct.

✗ Single Audit

- Determine if controls are in place to protect federal resources and if the entity is in compliance with applicable federal laws and regulation.

Types of Audit Recommendations

✓ Exit Items:

- Not part of the report.
- Identifies areas of minor concern.

✗ Management Letter:

- Referenced in the report.
- Identifies areas of significant concern.

✗ Findings:

- Included in the report.
- Identifies areas of material concern.

Your Accountability Report

✓ Accountability Report

- Manage, use, and safeguard public resources
- Internal controls
- Negative assurance

“In the areas we examined, the Port’s internal controls were adequate to safeguard public assets. The Port also complied with state laws and regulations and its own policies and procedures in the areas we examined.”

Your Accountability Audit

- Police department
 - Citations
 - Investigative/confidential fund
 - Cash receipting
 - Property room
 - Disposition of property
 - Seizure & forfeiture reporting
 - Safeguarding of firearms & ammunition

Your Accountability Audit

- State Grants
 - Review of annual report presentation and compliance with contract compliance for Department of Ecology grants
- On-call contracts
 - Focus on public works contracts below \$300,000
 - Compliance with procurement and prevailing wage requirements

Your Accountability Audit

- Third-party cash receipting
 - Review of contract monitoring and reconciliation process
- Open public meetings act
- Conflict of interest
- Bell Harbor
 - Review of internal audit work and status of recommendations
- Industrial Development Corporation
 - Trade and tourism disbursements

Recommendations

- No management letters or findings
- Exit items
 - Discussed with Accounting, Internal Audit, and Executive Management team.
 - Shared with Audit Committee.

Status of Prior Audit Recommendations

- Parking garage revenue – partially resolved
 - Review of corrective action taken by Port (old system and review of report)
- ABC Fuels program - resolved
 - Review of approval and use of new tariff

Report Publication

- Released electronically
 - Email
 - Subscription Service -
www.sao.wa.gov/EN/News/Subscriptions
- Released two to four weeks from today
- Separate report for the Industrial Development Corporation

Next Scheduled Audit

- Scope
 - Accountability
- Period covered
 - January 1, 2013 to December 31, 2013
- Anticipate timeline
 - October to December 2014
- Budget
 - 1,000 hours at current billing rate of \$83.60 or \$83,600 plus travel costs.

Customer Service Survey

- Provides feedback on
 - Audit staffing
 - Audit quality
- Emailed to:
 - Debbi Browning
- Website resources available year-round
 - Client helpdesk
 - Local government performance center