



2014 Proposed Work Plan

by

*Port of Seattle
Internal Audit*

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Audit Oversight at the Port

The Audit Committee, a standing committee of the Port of Seattle Commission, provides oversight on all audit activity as follows:

- Washington State Auditor's Office

As a public agency of the State of Washington, the Port is subject to all provisions of Title 53 and other applicable provisions of the Revised Code of Washington (RCW). The State Auditor's Office (SAO) conducts an accountability audit annually.

The SAO's audit efforts are largely focused on compliance with state statutes.

- Independent Certified Public Accountant (CPA)

A set of annual financial statements, commonly referred to as Comprehensive Annual Financial Report (CAFR), is subject to an audit by an independent CPA for the fair presentation of financial results. Currently, Moss Adams provides audit services for this purpose.

Moss Adams also provides additional audit services related to federal funds -- Single Audit Act.

- Port of Seattle Internal Audit Department

The Internal Audit Department conducts risk-based operational audits to add value to the Commission and Management. Audits by Internal Audit are conducted in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing.

Internal Audit conducts audits in accordance with the Audit Committee approved work plan and reports back to the Committee in its bi-monthly meetings.

Internal Audit focuses its efforts, among other things, on the control environment and management processes that are designed to provide reasonable assurance of effectiveness and efficiency in operations.

- The Port is subject to numerous other additional state and local (e.g., King County, City of Seattle, City of SeaTac, Department of Revenue, Department of Retirement) audits and agreement-driven (e.g., labor agreements) compliance requirements, which may necessitate an audit from time to time.

Risk Scoring Methodology

Each auditable unit is assessed and rated on a scale of 1 to 5 for the following applicable risks:

1. Strategic/Governance Risk
Risk of inconsistent policies and guidance with poor strategic directions
2. Operational Risk
Risk of ineffective and inefficient operations due to inadequate processes and management
3. Accountability/Transparency Risk
Risk of becoming a re-miss custodian of the public trust
4. Reporting Risk
Risk of misreporting (i.e., miscommunicating) financial and operating results
5. Information Technology (IT) Risk
Risk of significant negative impact to operations due to unmitigated information technology (IT) vulnerabilities
6. Compliance Risk
Risk of noncompliance with applicable Federal, State, Local, and Port policies, procedures, and agreements

The current Internal Audit risk rating model consists of the following:

- Six columns across, each representing one of the aforementioned six risks
- Auditable units listed in rows

Below is a snapshot of the risk rating model (only two risks are listed for demonstration purposes):

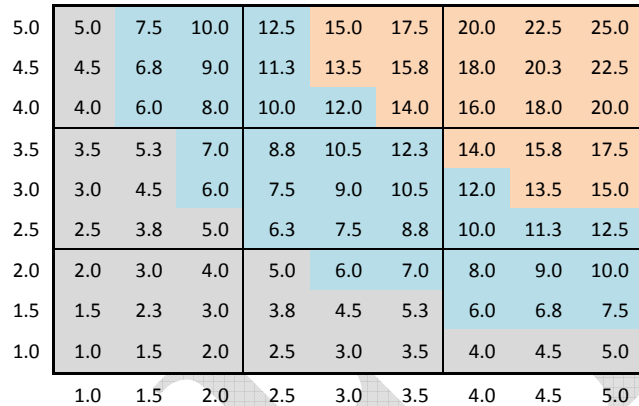
	Governance Risk		Operational Risk	
	Impact	Likelihood	Impact	Likelihood
Business Units				
Auditable unit #1				
Auditable unit #2				

On a scale of 1 to 5, Internal Audit rates each auditable unit under applicable risks for their impact and likelihood. Following the assignment of risk rating of impact and likelihood, the ratings are multiplied to derive a final quantitative determinant on a scale of 1 to 25 (5 for impact x 5 for

likelihood). When complete, auditable units are sorted in descending order based on the quantitative determinant to generate a work plan for the upcoming year.

The final risk determinant translates to the following qualitative risk ratings of low, medium, and high:

- Low Risk=1-5
- Medium Risk=6-12
- High Risk=13-25



Risk Rating Summary

Internal Audit’s risk assessment and scoring resulted in the following proposed audits by type.

Audit Type	Count	Est. Hours	
		Hours	%
Lease and Concession	7	2,450	27%
Limited Operational Audit	7	2,700	31%
Comprehensive Operational Audit	4	1,350	15%
3rd Party Management	2	800	9%
Central Key Processing Systems	1	400	5%
Information Technology Reviews	2	400	5%
Contingency for unexpected projects and consulting services		675	8%

Non-Lease Audit Coverage 65%

Specific suggested audits for 2014 are as follows:

1) Carryover Audits from 2013

The following reviews were not completed in 2013 and will be carried to the 2014 Work Plan.

a) Data Center Review

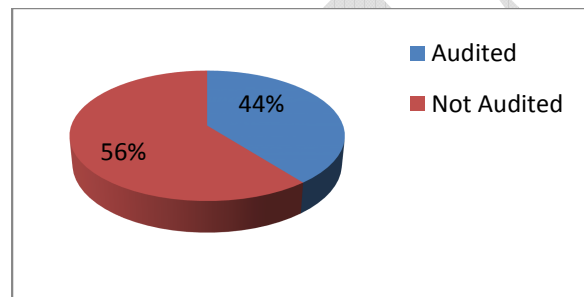
The Port data center will be relocated in early 2014. The review will be conducted after a period of settlement following the relocation.

b) Scheidt & Bachmann (S&B) System IT Review

The post-implementation reviews over areas other than software weren't completed in 2013 due to the project timeline. This will be conducted in 2014.

2) Comprehensive Operational Audit (i.e., Business Units/Departments Operational Audits)

There are currently seventy business organization nodes at the Port. A node is a group of individual org units that share common business purposes/practices. Below is a pie chart demonstrating business unit audit coverage in the past five years. Internal Audit did not have sufficient staffing until five years ago when the department was formally established. Hence, the majority of the audit coverage noted represents mainly the last five years. Audited business units represent those departments that Internal Audit has assessed and deemed to be most at risk.



The list below of proposed business unit reviews captures all high-risk departments based on the 2014 risk assessment. No high-risk departments are part of the group of not-audited (56% in the above pie chart).

Internal Audit recommends the following business units for review in 2014. It should be noted that Internal Audit conducts risk-based audits. While a department review includes all aspects of department operations, only the areas of perceived significant risk will be included in the final detailed testing. Additionally, performance aspects of department operations such as process efficiency will be part of all department reviews, where feasible.

a) Shilshole Bay Marina (SBM)

SBM is a marina that operates 365 days a year, 24/7. The facility offers moorage and berthage services primarily to recreational boats. There are many amenities to the boaters including high-speed internet and self-service laundry rooms. The facility generates over \$7 million in annual operating revenues. Management expressed interest (and Internal Audit agreed) for a review to determine whether the department has adequate and sufficient controls in areas of high risk including, but not limited to, billing operations.

The proposed audit will examine management controls in high risk areas to ensure adequate and sufficient mitigation. This will be our second time to audit this business unit/department.

b) Terminal 91 – Dock Operations

At Terminal 91, Seaport Maritime Operations group works with various terminal operators, tugboat, fishing industry, and other dock users to maximize the use of vessel berthing and dock facilities. Smith Cove Cruise Terminal at 91 generates revenues of approximately \$4 million in various fees and charges including, but not limited to, utilities, dockage and moorage.

The proposed audit will examine existing management controls to ensure adequacy and effectiveness in compliance and revenue generating activities.

c) Aviation Business Development

Aviation Business Development comprises many small groups to include Travel Dining and Retail, and Properties that together manages the majority of airport concession agreements. These agreements generate well over \$40 million in revenues annually. Aviation Business Development is responsible for maintaining information related to lease agreement compliance to include annual submittal of financial results and periodic insurance information to the Port.

The proposed audit will examine existing management controls to ensure adequacy and effectiveness revenue generating activities, as well as compliance with lease and concession agreements.

d) Aviation Building Department

All construction activities involving existing structures within the airport are required to obtain a permit from the Airport Building Department. The department issues building, mechanical, plumbing, and grading permits and receipts payments for various fees. Annually, the department processes an average of \$150,000 in permit revenues. Since we have not audited this department in the past, this department is included in the 2014 review in order to establish that there are no significant risks to the Port.

The proposed audit will examine existing management controls to ensure adequacy in department operations including the high risk area of receipting.

3) Limited Operational Audit (Functional Port-wide audit Approach)

a) Safety and Self-insured Workers Comp.

The Port is self-insured for workers' compensation and self-administers its program. There are many operations at the Port, such as construction and maintenance sites, that are inherently accident-prone. While safety is promoted at every level, an unfortunate incident can never be completely avoided. The self-insured program is regulated by the Washington State Department of Labor and Industry and is subject to periodic reviews.

The proposed audit will examine safety programs for effectiveness and management controls for ensuring compliance with applicable state requirements.

b) Police Seizure Funds

Police has three seizure funds to account for monies from seizure and forfeiture of properties involved in illegal narcotics and drug investigations. These funds are statutorily restricted in their uses and required to comply with certain state regulations. In the last five years, annual revenues have been on average approximately \$200,000.

The proposed audit will examine management controls to ensure completeness and compliance with federal, state, and Port requirements.

c) Continuing Monitoring of Large Capital Projects

The Port estimates over a \$1 billion dollars in capital construction spending in the next five years at the airport. These capital projects represent Port's long-term commitment to modernizing facilities and growth. The projects involve a number of separate contracts and procurement services with varying degrees of risks of noncompliance and inefficiencies. Port Commission approved Resolution 3605 provides management with necessary delegation of authority to manage the projects including contract procurement and management. A combined group of Port personnel, consultants and contractors will manage these inherently complex projects over a period of many years.

The proposed reviews will proactively examine areas of high risk to ensure compliance with Resolution 3605, various contract terms/conditions (labor requirements), and effectiveness of management controls for risk mitigation.

d) Central Procurement Services (CPO) Contracting Practices

CPO manages Port's procurement processes from simple goods/services contracts to multi million construction and personal services contracts. In 2012, Internal Audit conducted a review of CPO to determine whether the processes complied with applicable rules and regulations. We noted no instances of noncompliance during that review. Given CPO processes are present in every Port department's day-to-day operation; the importance of the process efficiency cannot be understated.

We are recommending this audit be outsourced to a well-recognized performance audit firm. The proposed audit would examine management practices to determine efficiency. However, Internal Audit did not budget for such an audit in its 2014 budget. Hence, the Audit Committee needs to discuss this recommendation further.

e) Airport Signatory Lease Operating Agreement (SLOA) III

Port Commission authorized the execution of a 5-year lease agreement in Sept. 2013 to be effective Nov. 2013. Over the life of the agreement, approximately \$1.3 billion in operating revenues will be generated for the Port. While there are provisions that remained unchanged from the previous agreement, the agreement introduces certain new provisions, including but not limited to, net revenue sharing with airlines and a new cost center to capture FIS (Federal Inspection Services) costs. Further, the agreement calls for the retroactive application of the

rates and charges, which necessitates a series of reconciliation of billings to the agreement effective date from Jan. 1, 2013.

The proposed audit will examine management controls and processes for ensuring compliance with significant agreement provisions and determine effectiveness. Additionally, we will review the retroactive application of the new agreement's rates and charges for completeness and accuracy.

f) Customer Facility Charge (CFC) Compliance

Consolidated Rental Car Facility was financed with customer facility charges on rental car agreements. Revised Code of Washington (RCW) provides the Port with authority to impose such a charge, but the same provisions also restrict the use of the charge.

The proposed audit will review management controls for ensuring compliance with applicable RCW in the use of the customer facility charge. In the past three years, the Port has received over \$20 million annually from various Rent-A-Car businesses.

g) Tuition Reimbursement Program

The Port encourages staff development and provides various growth opportunities. For higher education, the Port provides financial support to employees who participate in college and graduate level degrees programs. Port Policy HR-12 provides a framework for program administration. The program has been expanding gradually in recent years and incurs approximately \$150,000 annually in expenses.

The proposed audit will examine program effectiveness and management controls for ensuring compliance with Port Policy.

4) Central Key Processing Systems

Internal Audit proposes an audit of the Port wide payroll operations at Accounting and Financial Reporting (AFR) in 2014. The Port incurs approximately \$150 million dollars annually in salaries, wages and benefits.

5) Information Technology (IT) Audits

No new IT engagements are proposed in 2014. IT projects included in the 2014 work plan are carryovers from 2013.

It should be noted that the planned 2014 IT audits will be outsourced. Internal Audit is not currently staffed with the necessary expertise to conduct specialized IT audits. However, Internal Audit staff will assist, to the extent feasible, to gain experience and to facilitate the projects.

6) 3rd Party Management Agreements

Internal Audit proposes the following two reviews of 3rd party management contracts:

a) World Trade Center – West

A commercial real estate firm, Kidder Mathews, manages the facility of approximately 70,000 net rentable square feet for office and retail spaces. Annual rent revenues of approximately \$750,000 are remitted to the Port on a monthly basis.

The proposed audit will review the operation to determine compliance with the agreement and the effectiveness of Port management monitoring.

b) Airport Lounges

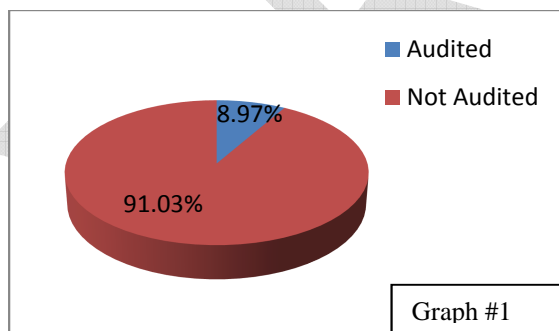
The Port began operating a lounge in 2011, which has grown from annual gross revenues of approximately \$200,000 to \$800,000 (as of 11/2013). Internal Audit reviewed the lounge operation and found opportunities for improvement. The Port opened a second lounge location in 2013 to accommodate a growing international passenger volume.

The proposed audit will review the operation to determine compliance with the agreement and the effectiveness of Port management monitoring.

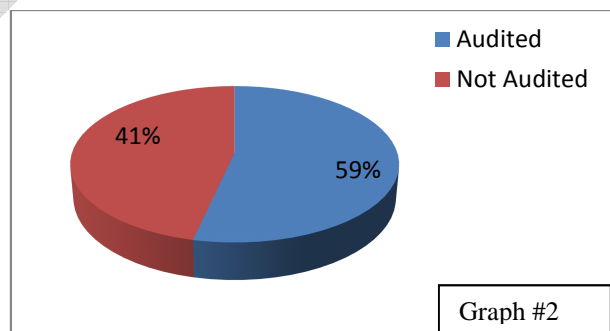
7) Lease and Concession Agreements

There are approximately 470 lease and concession agreements according to PROPWorks. Of those, we have audited forty-two agreements in the past five years. See Graph #1.

Audit Coverage as Percentage of the Total Lease and Concession Agreement Universe



Audit Coverage as Percentage of the Concession Agreements Only



Of the lease and concession agreement universe, approximately seventy have a concession part to the agreement, and these are the agreements we consider high risk. The remaining lease agreements are mainly for space rentals, and although these agreements have a high financial impact, they are considered low risk due to the fixed and regularly occurring income stream (i.e., rent). In addition, the Port has adequate process to follow up in case payments are not received timely.

For lease and concession agreements, we have audited 42 agreements in the past 5 years. See Graph #2. The agreements we have audited represent agreements with the largest financial contributions to the operating revenues (i.e., most at risk).

Our approach to concession audits in the past 5 years has been to cycle the biggest revenue contributors as frequently as department resources permit. The remaining concession agreements are of low dollar contributors to the Port and, thus, considered low risk in quantitative terms.

Internal Audit proposes the following lease and concession agreements for review in 2014:

- a) Rent-A-Car (RAC) Lease and Concession Agreements
 - o Fox
 - o DTAG (dba Thrifty)
 - o CMC INVESTMENTS (dba Dollars)

- b) In-Fling Kitchen Lease and Concession Agreements
 - o Flying Food
 - o Gate Gourmet
 - o Sky Chefs

- c) Food and Beverage Lease and Concession Agreements
 - o Anthony's Restaurant at Sea-Tac

Attachment A - Top 40 Auditable Units Based On Our Risk Scoring Methodology

Legends for the table are as follows:

- ✓ - Projects selected for 2014.
- * - Addressed in a separate engagements by an independent consultant.
- @ - Risks associated with airlines are addressed in separate engagements by type as opposed to reviewing each airline agreement for particular fee provisions. In 2014, the proposed review of SLOA III will examine the lease and concession part of the agreement, as well as controls for ensuring compliance.
- # - Audit that will become part of the proposed continuing monitoring of large capital projects.
- X - Auditable units beyond the 40th are not part of the list and are not considered for 2014 audits because of unavailability of audit resources. Every year, Internal Audit will strive to focus its audit resources to the areas it believes have the highest significant risk to the Port’s strategies and/or objectives.

Column headers are as follows:

- 1st column – rating from 1 to 40
- 2nd column – auditable units
- 3rd column – total risk rating score (product of the 4th and the 5th column)
- 4th column – risk rating score for impact
- 5th column – risk rating score for likelihood
- 6th column – audit groups
- 7th column – preliminary list of the proposed 2014 audits

	Auditable Unit	Total Score	Impact	Likelihood	Audit Universe Group	Preliminary 2014 Audits
1	Signatory Lease and Operating Agreement (SLOA) III	19.00	4.75	4.00	Lease and Concession	✓
2	Continuous Monitoring of Large Capital Projects	19.00	4.75	4.00	Limited Operational Audit	✓
3	Scheidt Bachman, parking revenue system, IT review	18.00	4.50	4.00	IT Audit	*
4	Flying Food In-Flight Kitchen	16.13	4.30	3.75	Lease and Concession	✓
5	Gate Gourmet In-Flight Kitchen	16.13	4.30	3.75	Lease and Concession	✓
6	Sky Chefs In-Flight Kitchen	16.13	4.30	3.75	Lease and Concession	✓
7	DTAG (dba Thrifty) Rent-A-Car	15.75	4.20	3.75	Lease and Concession	✓
8	CMC (dba Dollars) Rent-A-Car	15.75	4.20	3.75	Lease and Concession	✓
9	Resolution 3605 compliance	15.75	4.50	3.50	Limited Operational Audit	#
10	Fox Rent-A-Car	15.38	4.10	3.75	Lease and Concession	✓

11	ALASKA AIRLINES INC	14.85	4.50	3.30	Lease and Concession	@
12	DELTA AIR LINES INC	14.85	4.50	3.30	Lease and Concession	@
13	UNITED AIRLINES	14.85	4.50	3.30	Lease and Concession	@
14	US AIRWAYS INC	14.85	4.50	3.30	Lease and Concession	@
15	VIP Lounge and Club Cascade	14.80	4.00	3.70	3rd Party Management	✓
16	Payroll - system review at AFR (Accounting and Financial Reporting)	14.80	4.00	3.70	Central Key Processing Systems	✓
17	World Trade Center (WTC) - West	14.06	3.80	3.70	3rd Party Management	✓
18	Terminal 91 - Dock Operations	14.04	3.90	3.60	Comprehensive Operational Audit	✓
19	Data Center Review	14.00	3.50	4.00	IT Audit	*
20	CPO Contracting Practices –efficiency	14.00	4.00	3.50	Limited Operational Audit	*
21	Aviation Business Development	14.00	4.00	3.50	Comprehensive Operational Audit	✓
22	Police Seizure Funds	13.88	3.70	3.75	Limited Operational Audit	✓
23	CFC - compliance with state requirements	13.69	3.70	3.70	Limited Operational Audit	✓
24	Tuition Reimbursement Program	13.69	3.70	3.70	Limited Operational Audit	✓
25	Shilshole Bay Marina	13.69	3.70	3.70	Comprehensive Operational Audit	✓
26	Anthony's Restaurant at the airport	13.69	3.70	3.70	Lease and Concession	✓
27	Aviation Building Department	13.68	3.60	3.80	Comprehensive Operational Audit	✓
28	Safety/Self-insured Workers Compensation Program	13.68	3.80	3.60	Limited Operational Audit	✓
29	IT Security (e.g., PCI)	13.50	3.60	3.75	IT Audit	*
30	Puget Sound Dispatch (dba Yellow Taxi)	13.50	3.75	3.60	Lease and Concession	X
31	Specialty Parking Program	13.50	3.75	3.60	Limited Operational Audit	X
32	Post-Upgrade Review of PeopleSoft	13.32	3.60	3.70	IT Audit	X
33	LEAN Project reviews	13.32	3.60	3.70	Limited Operational Audit	X
34	IT Asset Management	13.32	3.60	3.70	IT Audit	X
35	IT Annual Risk Assessment	13.32	3.60	3.70	IT Audit	X
36	Commission Office (department)	13.32	3.60	3.70	Comprehensive Operational Audit	X
37	Seatac Fuel Facilities	13.32	3.60	3.70	Lease and Concession	X
38	Compliance with state requirements related to construction by Port crew	13.32	3.60	3.70	Limited Operational Audit	X
39	General Ledger	13.14	3.65	3.60	Central Key Processing Systems	X
40	Labor Relations (department)	13.14	3.65	3.60	Comprehensive Operational Audit	X

Attachment B – Proposed 2014 Audit Projects with Prior Audit Coverage

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Comments for 2013 Audits

✓	Reported to Committee Meetings.
✓ ¹	Not started due to the project timeline. Re-shuffled to the risk pool and will be re-assessed for 2014.
✓ ²	Started and will complete in 2013.
✓ ³	Carryover to 2014

	Project Description	2010	2011	2012	2013	Proposed 2014	Division	Contact	Responsible Mgmt.
Systems Review	Accounts Receivables/Billings	✓					Corporate	Sherry Pittman	Rudy Caluza
	Asset Management		✓				Corporate	Debbi Browning	Rudy Caluza
	General Ledger				✓ ¹		Corporate	Debbi Browning	Rudy Caluza
	Payroll					✓	Corporate	Duane Hill	Rudy Caluza
Departmental/ Comprehensive Operational Audit	Aviation Maintenance				✓		Aviation	John Christianson	Mark Reis
	Ground Transportation			✓			Aviation	Jeff Hoevet	Mike Ehl
	Rental Car Facility				✓		Aviation	Jeff Hoevet	Mike Ehl
	Airport Public Parking Garage	✓	✓		✓ ²		Aviation	Diane Santiago	Jeff Hoevet
	SeaTac Utility	✓					Aviation	Various	Soike
	Fire Department	✓					Aviation	Randy Krause	Wendy Reiter
	Fishermen's Terminal	✓			✓		Real Estate	Kenny Lyles	Darlene Robertson
	Aviation Marketing	✓					Aviation	Kazue Ishiwata	Dave Soike
	Airport Office Building		✓				Aviation	Michele Fideler	Antonio Baca
	Container Management		✓				Seaport	Michael Burke	Linda Styrk
	Airfield Operations		✓				Aviation	Mark Coates	Mike Ehl
	Marketing and other Services that Promote Port Services and Facilities	✓					Seaport	Bari Bookout	Linda Styrk
	Air Terminal Operations			✓			Aviation	Nick Harrison	Mike Ehl
	Risk Management			✓			Corporate	Jeff Hollingsworth	Dan Thomas
	Real Estate Division Portfolio Management			✓			Real Estate	Melinda Miller	Joe McWilliams
	Shilshole Bay Marina					✓	Real Estate	Tracy McKendry	Darlene Robertson
	Dock Operations - Terminal 91					✓	Seaport	Michael McLaughlin	Linda Styrk
	Aviation Building Dept. (receipting operations)					✓	Aviation	Antonio Baca	Dave Soike
	Aviation Business Dev.					✓	Aviation	Jim Schone	Mark Reis
	3rd Party Management	Bell Harbor International Conference Center (BHIC)			✓			Real Estate	Melinda Miller
World Trade Center (WTC) -W Seattle				✓			Real Estate	Melinda Miller	Joe McWilliams
Pier69 Port Cafeteria		✓					Real Estate	Nick Milos	Joe McWilliams
VIP Lounge			✓				Aviation	Jeffrey Wolf	Jim Schone
Aviation Lost and Found			✓				Aviation	Susan Hansen Smith	Nicholas Harrison
3rd party administrator of self-funded medical/dental				✓			Corporate	David Leon	Gary Buchanan
World Trade Center (WTC) -W - KIDDER MATHEWS						✓	Real Estate	Melinda Miller	Joe McWilliams
VIP Lounge/Club Cascade					✓	Aviation	Susan Goodspeed	James Witzman	
Lease and Concession Agreements	AVIS (owns Budget)			✓			Aviation	Jolene Culler/James Jennings	Jim Schone
	BUDGET RENT A CAR			✓			Aviation	Jolene Culler/James Jennings	Jim Schone
	ENTERPRISE (owns Alamo and National)		✓				Aviation	Jolene Culler/James Jennings	Jim Schone
	ALAMO RENT A CAR(owns by Enterprise)			✓			Aviation	Jolene Culler	Jim Schone
	NATIONAL CAR RENTAL (owns by Enterprise)			✓			Aviation	Jolene Culler	Jim Schone
	HERTZ Corp (owns Advantage)			✓			Aviation	Jolene Culler/James Jennings	Jim Schone
	Fox Rent-A-Car	✓				✓	Aviation	Jolene Culler/James Jennings	Jim Schone
	DTAG (dbaThrifty)	✓				✓	Aviation	Jolene Culler/James Jennings	Jim Schone
	CMC INVESTMENTS INC (dba Dollars)	✓				✓	Aviation	Jolene Culler/James Jennings	Jim Schone
	HOST			✓			Aviation	Deanna Zachrisson	Jim Schone
	AIRPORT MANAGEMENT SERVICES LLC (Hudson)		✓				Aviation	Deanna Zachrisson	Jim Schone
	CRUISE TERMINALS OF AMERICA LLC		✓				Seaport	Mike McLaughlin	Linda Styrk
	REPUBLIC PARKING NORTHWEST INC (Pier 66)		✓				Real Estate	Melinda Miller	Joe McWilliams
	SEATTLE RESTAURANT ASSOCIATES			✓			Aviation	Deanna Zachrisson	Jim Schone
	FLYING FOOD FARE INC	✓				✓	Aviation	Jolene Culler/James Jennings	Jim Schone
	GATE GOURMET INT'L	✓				✓	Aviation	Jolene Culler/James Jennings	Jim Schone
	SKY CHEFS INC	✓				✓	Aviation	Jolene Culler/James Jennings	Jim Schone
	CONCESSIONS INT'L INC.			✓			Aviation	Deanna Zachrisson	Jim Schone
	Wendy's (Latrelle's)		✓				Aviation	Deanna Zachrisson	Jim Schone
	Qdoba (ZRC)	✓					Aviation	Deanna Zachrisson	Jim Schone
	Pallino Pastaria	✓					Aviation	Deanna Zachrisson	Jim Schone
	Smarte Carte	✓					Aviation	Deanna Zachrisson/Bonnie Darch	Jim Schone
	IVARs		✓				Aviation	Deanna Zachrisson	Jim Schone
	SODEXHO AMERICA LLC	✓					Aviation	Deanna Zachrisson	Jim Schone
Citylce Cold Storage Company/ Pier 91		✓				Seaport	Mike Burke	Linda Styrk	
Bill and Nick Inc.		✓				Real Estate	Melinda Miller	Joe McWilliams	
Simply Wheelz LLC (Rent-A-Car)		✓				Aviation	Jolene Culler/James Jennings	Jim Schone	

Comments for 2013 Audits

✓	Reported to Committee Meetings.
✓ ¹	Not started due to the project timeline. Re-shuffled to the risk pool and will be re-assessed for 2014.
✓ ²	Started and will complete in 2013.
✓ ³	Carryover to 2014

	Project Description	2010	2011	2012	2013	Proposed 2014	Division	Contact	Responsible Mgmt.	
	Ex Officio LLC		✓				Aviation	Elaine Lincoln/Deanna Zachrisson	Jim Schone	
	Food Systems Unlimited Inc		✓				Aviation	Elaine Lincoln/Deanna Zachrisson	Jim Schone	
	Dilettante Chocolates Inc				✓		Aviation	Elaine Lincoln/Deanna Zachrisson	Jim Schone	
	InMotion Pictures				✓		Aviation	Deanna Zachrisson	Jim Schone	
	Vino Volo				✓		Aviation	Deanna Zachrisson	Jim Schone	
	Massage Bar				✓		Aviation	Deanna Zachrisson	Jim Schone	
	Airline Audit - landing fees, RON, FIS		✓				Aviation	Vicky Ausbun	Mike Ehl	
	Fuel Dock at Shilshole		✓				Real Estate	Darlene Robertson	Joe McWilliams	
	Anthony's at the airport					✓	Aviation	Deanna Zachrisson	Jim Schone	
Limited/Portwide Operational Audit	Port Contracting Practices at Capital Development Division (CDD) - Post SAO Audit/Effectiveness	✓					Capital Development	Ralph Graves	Ralph Graves	
	Fleet Maintenance (cross functional Program) - efficiency		✓				Aviation/Real Estate	Mary Ann Lobdell/Benny Austin/Luisa Bangs	John Christianson/Lindsay Pulsifier	
	Travel and Entertainment (T&E) - economy/accountability	✓					Corporate	Duane Hill	Rudy Caluza	
	Mobile Communication Device Procurement Practices and Administration		✓				Corporate	Kim Albert	Peter Garlock	
	ABM contract (Aviation Main Terminal janitorial services) - effective monitoring?		✓				Aviation	Andy Frank	Mike Ehl	
	Overtime - Port staff - all aviation depts.	✓					Aviation	Various/Borgan Anderson	Mark Reis	
	Compliance cost of CPO series polices/procedure			✓			Capital Development	Nora Huey	Ralph Graves	
	Delegation of Authority			✓			Governance	CEO	Commission	
	Corp. cost allocations/Aviation Revenue Diversion			✓			Corporate	Michael Tong	Dan Thomas	
	Procurement card administration			✓			Corporate	Patty Etkorn	Tim Jayne	
	Controls Over the Port's Deferred Compensation Programs				✓		Corporate	Elizabeth Morrison/HR	Dan Thomas	
	Controls and Compliance over Debt Services				✓		Corporate	Elizabeth Morrison	Dan Thomas	
	Review of Payroll Processes at Police and Fire				✓		Aviation/Corp	Chief Wilson/Krause	Mark Reis/Tay Yoshitani	
	Review of Port Jobs Contract Before Expiration				✓		Port Wide	Luis Navarro	Tay Yoshitani	
	Review of Port's Small Contractors and Suppliers (SCS) Program				✓		Port Wide	Luis Navarro	Tay Yoshitani	
	Controls over Small Federal Grants Administration				✓		Port Wide	Port Wide	Port Wide	
	Federal Inspection Services (FIS) Revenue Review				✓		Aviation	Vicky Ausbun	Mike Ehl	
	Controls over Port Construction Services (PCS) Close-Out Processes				✓ ²		CDD	Dwight Rives	Ralph Graves	
	Follow-Up Review of Port's Fleet Operations				✓		Aviation/Real Estate	Mary Ann Lobdell/Benny Austin/Luisa Bangs	John Christianson/Lindsay Pulsifier	
	Controls over Purchases under \$20,000 from acquisition to disposal/surplus				✓		Port Wide	Port Wide	Port Wide	
	Review of Port Code of Conduct and Ethics Programs				✓		Governance	Vickie Rawlins	Craig Watson	
	Safety/self-insured Workers Comp.						✓	Port Wide		Dan Thomas
	Police Forfeiture Funds (Federal and State)						✓	Corporate		Colleen Wilson
	CPO -- Contracting Practices						✓	Corporate	Nora Huey	Ralph Graves
	Continuous Monitoring of Large Capital Projects (e.g., NorthStar, FIS, Runway, Baggage), including the following Resolution 3605 elements: <ul style="list-style-type: none"> Contract Cost Estimation Process Execution of Interposal Agreements State and Local Grants Breaking up of projects into smaller units Change Orders, including ones from Small Works Contract Admin. Compliance Consistency with labor agreements 					✓	Port Wide	Wayne Grotheer	Ralph Graves	
	SLOA III (retroactive application, different cost pools)						✓	Aviation	Mike Ehl	Mark Reis
CFC - statutory compliance on usage						✓	Aviation	James Jennings	Jim Schone	
Tuition Reimbursement Program						✓	Corporate	Gary Buchanan	Dan Thomas	
Information Technology	IT Risk assessment - by Consultant (Protivity)			✓			Corporate	Kim Albert	Peter Garlock	
	Data Center Review			✓ ³		✓	Corporate	Kim Albert	Peter Garlock	
	PeopleSoft Post-Upgrade Review			✓ ¹			Corporate	Rudy Caluza	Dan Thomas	
	Scheidt Bachman (Parking Revenue) System Review			✓ ³		✓	Aviation	Diane Santiago	Jeff Hoebet	