



February 22, 2016

Audit Committee
Port of Seattle

Re: Required Annual Communication and Results of the External Peer Review

In accordance with the International Professional Practices Framework (IPPF) promulgated by the Institute of Internal Auditors and the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, the Internal Audit Director must ensure the following information is communicated annually to the Audit Committee:

Internal Audit Charter (IPPF 1000)

The activity of the Internal Audit Department is formally defined in the Internal Audit Charter. The charter is reviewed annually by the Audit Committee, the Chief Executive Officer, and the Internal Audit Director. The Port Commission provides final approval of the charter. The department charter was reviewed and approved by the Port Commission on December 11, 2012 in an open public meeting. The charter is still relevant and reflects our department activities.

Confirmation of Organizational Independence (IPPF 1110)

At the Port of Seattle, the Internal Audit Department continues to be accorded organizational independence by reporting functionally to the Audit Committee and administratively to the Chief Executive Officer.

Quality Assurance and Improvement Program (IPPF 1320 and GAGAS 3.95)

The Internal Audit Department has implemented adequate quality assurance and improvement program (QAIP) that covers all aspects of internal audit activity. This was evidenced by the Department passing its first external peer review in 2012. The department successfully passed its second external peer review in December 2015.

The results of our own internal monitoring process also confirm the Department is in compliance with the auditing standards.

We will continue to align audit efforts with major initiatives and programs at the Port (e.g., Aviation Capital Programs).

Sincerely,

A handwritten signature in black ink, appearing to read "Joyce Kirangi".

Joyce Kirangi, CPA, CGMA
Director, Internal Audit Department

Copy: Ted Fick, Chief Executive Officer



The Association of Local Government Auditors
Awards this

Certificate of Compliance

to

Port of Seattle Internal Audit Department

Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audit and attestation engagements during the period July 1, 2012 through October 31, 2015.


Matt Weller
ALGA Peer Review Committee Chair


Kimber Waltmunson
ALGA President



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Port of Seattle Internal Audit Department

Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with the *International Standards for the Professional Practice of Internal Auditing* for assurance and consulting engagements during the period July 1, 2012 through October 31, 2015.


Matt Weller
ALGA Peer Review Committee Chair


Kimber Waltmunson
ALGA President