

Memorandum

TO: Cmr. Albro
Joyce Kirangi, Rudy Caluza, Mike Merritt
FROM: Aaron Pritchard
DATE: 4.25.16
RE: Audit Committee Approval of External Auditor RFP process

Question: Once the Audit Committee approves the selection of the external independent auditor pursuant to a formal RFP process that the Commission approved earlier, can the CEO execute the contract for the services or does the action still need to go to the full Commission? There is general agreement between Rudy Caluza, Director, Accounting and Financial Reporting and Joyce Kirangi, Director, Internal Audit that the Audit Committee can issue a final approval.

The by-laws of the Port of Seattle Commission state:

“Standing Committees may act on behalf of the Commission as its representative if they have been approved to do so by a vote of the majority in open session and if such authority is expressed in the Committee’s charter.”

The Audit Committee was approved to act on the Commission’s behalf, by a majority, in open session, and such authority is expressed in Exhibit A of Resolution No. 3613 under “Purpose and Authority.”

A technical amendment is advisable to clarify the Charter language:

The Audit Committee will

- ~~Review and recommend to~~ Inform the full Commission, ~~based on an open competitive process,~~ of the independent auditors ~~to be~~ selected, based on an open competitive process, to audit the financial statements and the federal grant and Passenger Facilities Charge programs of the Port of Seattle and other audit services.

Recommendation: The technical amendment should be sent to the full Commission in a Motion to be dealt with on the consent agenda.