

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

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| Item No. | 4h |
| Date of Meeting | June 28, 2016 |

DATE: June 17, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Aaron Pritchard, Commission Issues and Policy Manager
SUBJECT: Audit Committee Charter Amendment

ACTION REQUESTED

Request Commission authorization for a technical amendment to the Audit Committee Charter that revises Exhibit A to Resolution No. 3613, the first paragraph under the second section labelled “Duties.” The Charter shall be edited to read: “Review with the full Commission the independent auditors 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.” This change to the Audit Committee Charter was approved by the Audit Committee on May 9, 2016, for referral to the Port Commission.

SYNOPSIS

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 Committee’s 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

- ~~Inform Review and recommend to~~ 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.

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

June 17, 2016

Page 2 of 2

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

BACKGROUND

- On May 9, 2016 The Audit Committee voted unanimously to approve the change to the charter.

ATTACHMENTS TO THIS REQUEST

- Audit Committee Charter redline.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- May 9, 2016 Unanimous Vote by Audit Committee to approve change to Audit Committee Charter.