

February 27, 2009 Audit Committee Presentation
Sharon Briggs, General Manager
Recreational Boating

Follow-up on outstanding issues from 11/08 Audit Committee Presentation

Findings & Recommendations

1) Shilshole Bay Marina – Segregation of Duties – Guest Moorage

Recommendation: Employees responsible for entering customer data and calculating customer balances should be prohibited from having access to customer payments.

Action Taken:

Revisions made to the guest moorage process to specifically separate boat check from cash handling duties. One additional boat check added each day (total 3 per day) to tighten registration, payment and collection process.

Process changes reviewed with Internal Audit on February 10th.

2) Shilshole Bay Marina – Computer System Weakness

Issue resolved with the installation of the new Marina Management System (MMS) in June 2008.

3) Shilshole Bay Marina – Guest Moorage Revenue Accountability

Recommendation: Formalize procedures for collecting guest moorage payments and the collection efforts should be fully documented and maintained.

Action Taken

Procedures documented and provided to all staff. Process revisions include the addition of a daily boat check. Payment receipts are now required to be displayed in the window of the vessel to help identify who has paid and who has not. Payment “reminders” are placed on vessels that have not paid. Vessels are impounded if no payment within 24 hours.

Recommendation: Balance adjustments should be completely documented, including the reason for the adjustment; the collection efforts exhausted prior to adjusting and the names of the individuals approving the adjustments.

Action Taken

Because guest moorage is not billed through the Port's accounting system, debit or credit balances are not tracked through Accounting. This is currently under discussion with Accounting regarding collection (or refund) of outstanding balances. Procedures will include regular reviews to determine if write-off should occur to Bad Debt. Credits or any other kind of adjustments to an account will be reviewed/approved by Management and documented.

Recommendation: Front desk clerks should be prohibited from overriding amounts calculated by the system. Any overrides should require management approval and should be well documented.

Action Taken

Included in the new procedures is the provision that any kind of adjustment to an account (i.e. input error; change to a reservation) must be reviewed with and approved by Management. Changes documented in MMS.

Recommendation: Procedures should be implemented to collect leasehold tax from guest moorage customers in the marina for more than 30 days.

Action Taken

This is under discussion with ICT and Accounting. Modifications will need to be made to MMS to flag stays that are over 20 days. Language regarding leasehold tax being applied to visits of 30 days or more needs to be included on guest moorage envelopes. Need to determine how to retroactively charge the leasehold tax within MMS and how to account for a change in PeopleSoft.

4. Bell Harbor Marina – Segregation of Duties and Accountability of Funds

Recommendation: Employee should not share a cash drawer to receipt funds. This makes it impossible to establish responsibility for any shortages or losses incurred.

Action Taken

Each person has their own cash drawer and accountable to balance each day's transactions.

TMR was replaced by MMS which resulted in the implementation of new procedures that included the establishment of separate logon ID for each employee and reconciliation of cash receipts on a daily basis.

5. Bell Harbor Marina – Computer System Weakness/Discounts

Action Taken

TMR was replaced by MMS and new procedures were implemented that meet the recommendations of the Audit Report. In addition, any discount/coupons issued are now tracked manually and reviewed by management.

A request has been issued to ICT to modify MMS to automatically track coupon discounts received for guest moorage.

Management Report

Action Taken

Updates to the tariff were completed by the end of 4th Quarter 2008.