

Internal Audit Briefing

Presented to the Port of Seattle Audit Committee and Tay Yoshitani, CEO

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Agenda

Audit Reports

- Lease and Concession
 - Mad Anthony's
 - Pier 66
 - Fishermen's Terminal

- Department Audit
 - Office of Social Responsibility

Internal Audit Mid-Year Report

- 2009 Audit Work Status

Mad Anthony's

- Audit Finding
 - Suggested Financial Recovery
 - Bell Street Pier - - \$2,703
 - Fishermen's Terminal - - \$ 1,403
- Management Response
 - “Management will diligently pursue recovery of underreported concession fees.”

Office of Social Responsibility

- Audit Finding
 - Noncompliance with Port policies and procedures
- Recommendation
 - We recommend that management strengthen their controls, related to disbursements, to ensure that the entire department has the knowledge base necessary to comply with Port policies, procedures, and guidelines. Each disbursement should contain adequate documentation to clearly identify its benefit to the Port.

Office of Social Responsibility

Continue...

- Management Response

“The Office of Social Responsibility (OSR) completely concurs with the findings and recommendations. For background, this is a new department established in January, 2008, with a Director hired who was new to the Port. The new Director did not have the proper training and orientation to the numerous policies and procedures cited above, and the OSR Manager also lacked proper knowledge of some of the procedures. The first administrative staff for OSR was hired in September, 2008. A year of change also included a new Central Procurement Office (CPO) with new procedures. All in all, this contributed to some of the inconsistency in adhering to and knowledge of these Port policies and procedures...”

Mid-Year Audit Status

- 2009 Audit Status

	Open	Closed	Total
Systems Review	1	1	2
Department	6	2	8
Lease and Concession/3 rd Party Mgmt.	12	10	22
Special Request	2	3	5
Total Number of Audits Charged**	21	16	37

**Certain audits charged in 2009 were 2008 audits for closing procedures.