



**Port of Seattle**

***Internal Audit Report***

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**Aviation Security Department**

**Department Audit**

**Audit Period January 1, 2007 through December 31, 2008**

Issue Date: September 1, 2009  
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### **Internal Auditor's Report**

We have completed an audit of the Aviation Security Department (ASD). ASD Management has the primary responsibility to establish and implement effective internal controls surrounding all non-TSA secured areas encompassing the perimeter, cargo and passenger areas. The Department is also responsible for the administration of the Security Violations Program.

The purpose of the audit was to identify and assess controls to determine whether:

1. P-card purchases are appropriate, and the reconciliation procedures are working as intended by management.
- 2) Management oversight over procurement activities, pertaining to the temporary employment of security guards and corresponding contract vendor requests, includes proper reviews and approvals to ensure compliance with Port policies and procedures.
- 3) Aviation Security non-capitalized assets and equipment are properly accounted for, tracked and monitored.
- 4) Overtime hours are tracked and recorded properly and comply with the Collective Bargaining Agreement.

We reviewed information relating to fiscal years 2007 and 2008.

We conducted the audit using due professional care. The audit was planned and performed to obtain reasonable assurance that department controls are adequate and operating effectively as intended in the aforementioned areas.

Based on the audit procedures performed, the ASD has adequate and effective controls over P-card purchases, procurement of temporary security guards, non-capitalized assets, and overtime.

We extend our appreciation to ASD Management and staff for their assistance and cooperation during the audit.



Joyce Kirangi, CPA  
Sr. Internal Audit Manager

## Executive Summary

**Audit Scope and Objective** The purpose of the audit was to identify and assess the controls to determine whether 1) P-card purchases are appropriate and the reconciliation procedures are working as intended by management, 2) Management oversight over procurement activities, pertaining to the temporary employment of security guards and corresponding contract vendor requests, includes proper reviews and approvals to ensure compliance with Port policies and procedures, 3) Aviation Security non-capitalized assets and equipment are properly accounted for, tracked and monitored, and 4) Overtime hours are tracked and recorded properly and comply with the Collective Bargaining Agreement.

We reviewed information relating to fiscal years 2007 and 2008.

**Background** Aviation Security Department (ASD) is a department with 62 employees to control access to restricted/secure areas of the airport. The department utilizes an annual operating budget of approximately \$6 million to achieve the following goals and objectives:

- Provide a leadership role to assure the safe and continuous operation of the Airport.
- Provide a service that is vital in the exercise of civil authority.
- Maintain the safety of the public at all times.
- Sustain operations during an emergency.
- Comply with and enforce all regulatory security requirements.

**Audit Result Summary** Aviation Security Department has adequate and effective controls over P-card purchases, procurement of temporary security guards, non-capitalized assets, and overtime.

## Background

ASD has 62 labor-represented Security Specialists guided by a collective bargaining agreement with the International Longshore and Warehouse Union Local No.9. The current agreement is effective through July 31, 2010.

Aviation Security is staffed 24/7 with two regular teams of security professionals. However, when a staff increase is necessary due to heightened security for a relatively short period of time, the department relies on temporary security guards.

- TAC – 20 Terminal Access Controllers who are responsible for 15 cargo area inspections including ID checks on the ramp, as well as entering the buildings of all who are beyond the security demarcation line. They also verify that personnel are maintaining positive control of the area, especially if the bay doors are open.
- SAC – 42 Senior Access Controllers who are responsible for controlling, monitoring, and granting or denying access into restricted/secure areas of the Airport.

The Department goals and objectives include:

- Provide a leadership role that assures the safe and continuous operation of the Airport.
- Provide a service that is vital in the exercise of civil authority.
- Maintain the safety of the public at all times.
- Sustain operations during an emergency.
- Comply with and enforce all regulatory security requirements.

The department's operating expense for a 3-year period ending 2009 is as follows:

(in 000s)	<b>2007</b>	<b>2008</b>	<b>2009</b>
Salaries and Benefits	\$4,741	\$5,875	\$5,520
Outside Services	1,765	15	19
Equipment	22	10	16
Supplies & Stock	43	42	34
Other	179	175	151
<b>Total Operating Expense</b>	<b>\$6,750</b>	<b>\$6,117</b>	<b>\$5,740</b>

Source: PeopleSoft

## Audit Objective

The purpose of the audit was to identify and assess the controls to determine whether:

1. P-card purchases are appropriate, and the reconciliation procedures are working as intended by management.

- 2) Management oversight over procurement activities, pertaining to the temporary employment of security guards and corresponding contract vendor requests, includes proper reviews and approvals to ensure compliance with Port policies and procedures.
- 3) Aviation Security non-capitalized assets and equipment are properly accounted for, tracked and monitored.
- 4) Overtime hours are tracked and recorded properly and comply with the Collective Bargaining Agreement.

### **Scope of the Audit**

The scope of the audit covered the period January 1, 2007 through December 31, 2008.

### **Audit Approach**

We performed the following audit procedures:

- We obtained an understanding of the department's operations and its environment.
- We reviewed applicable state and local laws, rules, and regulations, as well as Port policies, procedures, and guidelines.
- We obtained and analyzed financial data and other relevant information to assess risk.
- We reviewed and tested controls over P-card, procurement, non-capitalized assets, and overtime to determine the effectiveness of implemented controls.

### **Conclusion**

Aviation Security Department has adequate and effective controls over P-card purchases, procurement of temporary security guards, non-capitalized assets, and overtime.