

Audit Committee Review

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January 6, 2009

Background

The Audit Committee was created to “represent the Commission and have review and oversight authority on matters relating to the Port's auditing process and procedures.” Its main tasks are to:

- Review the audits of financial statements, federal grant and Passenger Facilities Charge programs of the Port of Seattle, and other audit services carried out by independent auditors, including any recommendations they may have.
- Review audit reports on the adequacy and effectiveness of the accounting and financial controls of the Port of Seattle, and recommend improvement of such internal controls or establish new controls.
- Perform oversight over periodic performance audits to be conducted on Port of Seattle, and report the results of such audits to the Commission when completed.

Organizational Strengthening

- The Manager of the Internal Audit Department now reports to the Audit Committee, as well as the Chief Executive Officer (CEO).
- All audits are reviewed in public session by the Audit Committee.
- In 2008, the Audit Committee added a public member, Steve Miller, with extensive experience in auditing governmental and other public bodies.
- The Internal Audit Manager hired three additional audit staff in 2008, nearly doubling her staff.
- The Audit Committee has designed a 2009 work plan. In addition, a longer-range plan encompassing five years has begun.

2008 Results

- The Audit Committee reviewed and requested several external audits, including the 2007 Moss Adams Audit, and the CAFR audit, and the follow up to the 2007 TKW audit.
- It also followed up on several of the State Auditor's Office (SAO) Performance Audit recommendations.
- The Audit Committee reviewed several departmental, concession and lease audits by Internal Audit, including Payroll, Aviation Maintenance, and Pier 66 and Recreational Boating Management.
- Departmental reports on outstanding issues previously reviewed by the Audit Committee are now required. A schedule of those responses has been created.

Future Work

- **Internal Audit will conduct several third-party agreements, concessions, and leases, including rental car agencies, Aviation IT departments, and Police and Fire Services. The Committee will review outstanding issues from previous Department Audits.**
- **Internal Audit will incorporate performance audits into its audit schedule. In the next five years, the goal is to have 50 percent of the Internal Audit projects focus on performance audits.**
- **Port management, in coordination with the Commission Audit Committee and the Internal Auditor, has initiated development of a Port-wide Enterprise Risk Management strategy. This effort will be integrated into the Audit Committee's 2009 work plan.**
- **The Audit Committee will also be having Entrance and Exit Interviews for Moss Adams external audits and the next SAO performance audit.**