

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 11a

Date of Meeting March 24, 2009

DATE: March 17, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Tom Barnard, Research and Policy Analyst

SUBJECT: First Reading on proposed new Audit Committee Charter

ACTION REQUESTED

Resolution No. 3613, First Reading. Repealing current Audit Committee Charter and replacing it with new Charter as approved by the Audit Committee.

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.” In the past year, the Audit Committee has taken on a greater quantity of work that has produced concrete positive results, and has strengthened its organizational capacity. The Committee decided at its January 2009 meeting to review and amend its internal charter, and to charge Audit Committee staff with making edits that bring the Charter up to date with the Committee's current work. The document was discussed at two subsequent meetings, February 5 and February 27. Further edits were incorporated into the document at both meetings. It was approved by the Committee on February 27, with all approved changes incorporated.

REVIEW OF MAJOR CHANGES IN THE AUDIT COMMITTEE CHARTER

- Overall re-organization of the charter, to separate out authority, duties, internal responsibilities, composition and meeting structure
- A more detailed spelling out of the authority of the Audit Committee and its relationship to the Commission
- A re-working of language concerning the Internal Audit Manager that reflects her work with the Audit Committee, and her responsibilities to it

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- The inclusion of a section requiring that Port departments under review by the Audit Committee report on their progress in correcting deficiencies pointed out by the Internal Audit Manager if the Audit Committee requests it
- Clarification of the relationship between the Audit Committee and outside external auditors, as well as a fuller explanation of what audits they provide
- A description of the Audit Committee's review of performance audits
- A description of the reporting relationship between the Audit Committee and the State Auditor's Office
- A corrected description of the Audit Committee membership
- A more detailed description of the skills and authority of the public member of the Audit Committee member
- A slightly revamped description of meetings

CURRENT STATUS

The proposed amended Charter is offered for approval on First Reading. Second Reading will take place at the next Commission Meeting.