

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6d

Date of Meeting March 31, 2009

DATE: March 25, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Tom Barnard, Research and Policy Analyst

SUBJECT: Resolution No. 3613 - Second Reading/Final Passage
of the Amended Audit Committee Charter

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 changes that bring the Charter up to date with the Committee’s current work. The document was discussed at two subsequent Committee meetings, February 5 and February 27. Further changes were incorporated into the document at both meetings. It was approved by the Audit Committee on February 27, with all approved changes incorporated.

The Port of Seattle Commission was briefed on the major changes in the Audit Committee Charter at the Commission meeting on March 10, 2009. Subsequently, the Charter was discussed during the First Reading of Resolution No. 3613 on March 24, and the Commission suggested more changes, in addition to those already approved. The changes are listed below.

REVIEW OF NEW CHANGES IN THE AMENDED AUDIT COMMITTEE CHARTER

- Adding the omitted section from the prior Charter that calls for the Audit Committee to "review and recommend to the Commission, based on an open competitive process, the independent auditors to be selected to audit the financial statements and the federal grant Passenger Facilities Charge programs of the Port of Seattle and other audit services.”
- Requiring quarterly reports from the Audit Committee to the Commission instead of annual reports.
- Amending the voting section so that in the event of a tie vote, the matter at hand is automatically referred to the Port of Seattle Commission for review and a vote.

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- Adding language that calls for Audit Committee agendas and minutes to be circulated to all Commission members.

CURRENT STATUS

Second Reading/Final Passage of Resolution No. 3613 will take place at the next Commission meeting on March 31, 2009, and reflects amendments requested at First Reading.