

Audit Committee Charter Review

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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 strengthened its oversight role and organizational capacity**
- **The Committee decided at January 2009 meeting to review and amend its internal charter, to bring the Charter up to date with the Committee’s current work**

Review of Major Changes

- **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**

Review of Major Changes

- **A section requiring Port departments to report on their progress in correcting deficiencies previously pointed out by the Internal Audit Manager**
- **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**

Review of Major Changes

- **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**
- **A slightly revamped description of meetings**

Review of Changes for 2nd Reading

- Authorizes the Audit Committee to review and recommend to the Commission the independent auditors used for the Port's financial statements, Passenger Facilities Charge Audits, and other audits.
- Requires quarterly reports from the Audit Committee to the Commission instead of annual reports.
- Amends the voting section so that in case of a tie vote, the matter is automatically referred to the Commission for review and vote.
- Calls for Audit Committee agendas and minutes to be circulated to all Commission members.