



SAO Performance Audit Update to Commission Lessons Learned

April 21, 2009

Background Information

- **December 20, 2007: Washington State Auditor Office issued Performance Audit Report of Port of Seattle**
- **The audit included 51 Recommendations:**
 - **POS established an Audit Response Team and an Audit Action Plan.**
 - **July 1, 2008: First Annual Report to the SAO, providing information on implementation of 24 of the 51 Recommendations.**
 - **To date we have taken action on 47 of the 51 Recommendations.**
 - **Those left include improvements to the Small Works Roster Program, implementing the Project Controls System, and implementing the recommendations of the Special Investigative Committee.**

Lessons Learned

- Broad Categories
 - Preparing for the audit
 - SAO communication during the audit
 - Responding to the audit
 - Implementing audit recommendations
 - Things we did well

Preparing for the Audit

- Review other audits to learn from them.
- Be clear on SAO protocols.
- Explore the SAO website, performance audits in general.
- Understand how information is transmitted.
- Set up access to our systems.
- Learn audit work plan.
- Explain the port up front.

Preparing for the Audit

- Have an “audit czar” (Project Manager) located in internal audit.
- Include Audit Committee members in planning.
- Identify location of all relevant files. Do not compile!
- Look at current procedures to be sure we are following them.
- Prepare employees for auditor interviews.
- Explore guidelines, but cautiously, for organizing files.
- Clarify with Staff on balancing normal work and audit work.

Communication with SAO during the audit

- Have someone assigned as the document control manager.
 - Clarify requests to know what is asked for, and in what format.
 - Respond in a timely manner - nothing should linger on lists!
 - Keep both upfront and ongoing lists of requested documents.
 - Maintain weekly audit team meetings, let SAO lead.
- Meetings & Interviews should be documented —take notes.
- Respond in a professional, truthful, neutral manner.
- Have an avenue for intervening if the process is encountering problems.

Responding to the Audit Report

- Determine when to keep response to “agree” or “disagree.”
- Dialogue with SAO, auditor, and the Port to resolve disagreements.
- Early consultation with Commission on audit response.
- Create a template for consistency in response.
- Assure factual information in our responses.
- Work to encourage others to carry Port’s message.

Implementing recommendations

- Understand the impact of your Action Plan on individuals.
- Identify benchmarks for Action Plan assessment.
- Review business practices to be successful in new environment of regular performance audits.
- Seek areas for efficiency and effectiveness that can be used for longer term business improvements .

What we did well...

- Met regularly in groups to respond to questions.
- Established and updated “Accountability” page on the Web so that the public could follow our progress.
- Worked closely with External Affairs to emphasize main messages.
- Consistently provided updates to managers.
- Prepared extensive report to the SAO in July.