

# Internal Audit Briefing

**Presented to the Port of Seattle  
Audit Committee and Tay Yoshitani, CEO**

**Joyce Kirangi, CPA  
Director, Internal Audit**

September 7, 2010

# Agenda

- **Audit Report**
  - Functional Review of Port-Wide Marketing Activities
- **2010 Audit Work Plan - Progress Update**

# Functional Review of Marketing Activities

## Background

Marketing is defined for purposes of this audit as the processes and activities involved in promoting facilities and/or services of the Port.

The financial analysis of the audit is limited to expenditures in Advertising and Trade Business and Community Development.

Promotional Hosting was specifically excluded from the scope of this audit because the State Auditor's Office (SAO) audits these expenditures yearly. SAO has commended the Port's overall processes and monitoring.

# Functional Review of Marketing Activities

## Background (continued...)

Over the years the Port has developed a decentralized approach to marketing. The current marketing activities include the following work units:

- Commercial Strategy (formerly Seaport Container Marketing)
- Air Service Development
- Airport Concessions
- Air Cargo
- Public Affairs
- Corporate Communications
- Tourism Public Affairs
- Public Affairs – Airport
- Real Estate/Harbor Services Marketing
- Cruise, Dock Operations and Industrial Properties
- Social Responsibility

# Functional Review of Marketing Activities

## Audit Objectives

1. To assess the adequacy of the structure and strategies of marketing activities throughout the Port based on clear priorities, clarity of purpose and alignment with Port-wide strategic plans.
2. To identify whether marketing is carried out by management in an efficient and effective manner, and whether management practices promote successful performance measurement.

# Functional Review of Marketing Activities

## Audit Result

- No Significant Issues - Clean Audit Report
- Observations
  - Port-wide Marketing Strategy
  - Coordination Among Business and Corporate Work Units

# 2010 Audit Work Plan Progress Update

## 2010 Audit Work Plan - Progress Update

- Audit Committee Approved 2010 Audits
  - » 35 individual engagements
- Completed
  - » 9 Completed
  - » 6 Wrap-up Stage

# 2010 Audit Work Plan Progress Update

## **2010 Audit Work Plan - Progress Update** **(continued...)**

- In-Progress
  - » SeaTac Utility
  - » Fox Rent-A-Car
  - » DTAG (dba Thrifty)
  - » CMC INVESTMENTS INC (dba Dollars)
  - » AIRPORT MANAGEMENT SERVICES LLC
  - » GATE GOURMET INT'L
  - » Smarte Carte
  - » Landed Weight/Landing fees - all airlines
  - » SODEXHO AMERICA LLC
  - » Port Contracting Practices at Capital Development Division (CDD) - Post SAO Audit/Effectiveness
  - » Travel and Entertainment (T&E) - economy/accountability
  - » Overtime - Port staff - all aviation depts.



# 2010 Audit Work Plan Progress Update

## 2010 Audit Work Plan - Progress Update (continued...)

- Remaining
  - » Public Parking
  - » REPUBLIC PARKING NORTHWEST INC
  - » Crane Rental (EAGLE MARINE, STEVEDORE SVCS, TOTAL TERMINALS)
  - » Aviation/Marine Maintenance -- inventory (*follow-up of a specific finding*)
  - » Ground Transportation - revenue completeness (*follow-up of a specific finding*)
  - » ID Badging – receipting weaknesses (*follow-up of a specific finding*)
  - » Mobile Communication Device Procurement Practices and Administration
  - » ABM contract (Aviation Main Terminal janitorial services) - effective monitoring