
Washington State Auditor's Office

Entrance Conference

Port of Seattle

January 1, 2009 through December 31, 2009

September 7, 2010



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR

State Auditor's Office

Mission

The State Auditor's Office independently serves the citizens of Washington by promoting accountability, fiscal integrity and openness in state and local government. Working with these governments and with citizens, we strive to ensure the efficient and effective use of public resources.

Audit Authority

State Law requires the Auditor's Office to examine the financial affairs of all local governments. For each such examination, "inquiry shall be made as to the financial condition and resources of the local government; whether the Constitution and laws of the state, the ordinances and orders of the local government, and the requirements of the State Auditor have been properly complied with; and into the methods and accuracy of the accounts and reports" (RCW 43.09.260). This statute further requires the Office to prepare and distribute a report or reports of the results of such audits.

Audit Information

Audit Scope

Our audit will cover the following general areas for the period beginning January 1, 2009 and ending December 31, 2009:

- Accountability for public resources and compliance with laws and regulations

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, our audits focus on identifying and examining those transactions, activities or areas that pose the highest risk.

Accountability for Public Resources and Legal Compliance

We will evaluate accountability and compliance with certain state laws and regulations in the following areas:

- Procurement
- Disbursements
- Conflict of interest
- Insurance
- Revenue and receivables
- Contract compliance
- Loss reporting

Audit Reports

At the completion of the audit, the State Auditor's Office will issue the following reports:

Accountability Report

The results of our accountability audit are included in this report.

Reporting Levels

Findings

Findings formally address issues in an audit report. The Port is given the opportunity to respond to a finding, and this response, or synopsis of it, is published in the audit report.

Management Letters

Management letters communicate less significant instances of noncompliance, and make recommendations for strengthening internal controls. Management letters are referenced but not included in the audit report.

Exit Items

Exit items are less serious audit issues than a finding or management letter and may be informally communicated to the entity.

Known or Suspected Loss Notification

State law (RCW 43.09.185) requires all state agencies and local governments to immediately notify the State Auditor's Office in the event of a known or suspected loss of public resources or other illegal activity. This includes situations where disciplinary action against an employee is being considered due to known or suspected losses of public funds, fraud, illegal acts, or noncompliance with policies related to preventing losses or other illegal acts. Governments should not begin investigations or take steps to resolve suspected losses or illegal activity without first informing our Office.

Additional information on reporting known or suspected losses and the Office's Fraud Program is available at www.sao.wa.gov – Investigations – Fraud Program. Notifications can be made online at www.sao.wa.gov – Investigations – Fraud Program – Report a Fraud. Questions can be directed to the Audit Manager in your area or Sarah Walker, Fraud Manager, who can be reached at sarah.walker@sao.wa.gov or by phone at (509) 454-3621.

Contacts and Other Information

The State Auditor's Office is committed to maintaining positive relationships and open communication with all entities we audit.

<i>Entity Contacts</i>	
Debbi Browning Entity Audit Liaison	(206) 787-3081 Browning.d@portseattle.gov
<i>State Auditor's Office Contacts</i>	
Carol Ehlinger Audit Manager	(206) 615-0555 ehlingerc@sao.wa.gov
Tony Martinez Assistant Audit Manager	(206) 296-1750 martinea@sao.wa.gov
Matt Lanier, CPA Auditor in Charge	(206) 296-1751 lanierm@sao.wa.gov

- The cost of the audit is estimated to be approximately \$54,165, plus travel expenses.
- Our Office is committed to protecting your confidential or sensitive information. You are responsible for notifying us when any documents, records, files, or data containing information that is covered by confidentiality or privacy laws, such as HIPAA, are provided to us.
- We will also perform an audit of the Port Industrial Development Corporation. Our audit will cover accountability for public resources and compliance with laws and regulations for the period beginning January 1, 2006 and ending December 31, 2009. The cost of the audit is estimated to be \$3,144.