



# Internal Audit Briefing

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

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Director, Internal Audit**

July 11, 2011



# Agenda

- **Audit Report**
  - Comprehensive Operational Audit
    - Airport Office Building (AOB)
  - Third-Party Arrangements Operational Audit
    - None
  - Limited Operational Audit
    - None
  - Concession and Lease Audit
    - Shilshole Bay Fuel Dock
- **Questions from Prior Committee Meetings**



# Comprehensive Operational Audit Airport Office Building (AOB)

## Background

The Airport Office Building (AOB) was first occupied in 2004. The Airport Office Building Department consists of six staff: a manager, two central load dock employees and three Conference Center staff. Due to low internal utilization, the Conference Center has been transformed into a revenue generating activity since 2005.

The department revenues and expenses for the last two calendar years are as follows:

	2009	2010
Operating Revenues	\$ 126,086	\$ 154,351
Operating and Maintenance Exp.	\$ 599,593	\$ 956,283

Source: PeopleSoft



# Comprehensive Operational Audit Airport Office Building (AOB)

## Audit Objectives

The purpose of the audit was to determine whether management has implemented adequate controls to ensure:

- Revenue generated by the Conference Center is complete and accurate
- Expenditures (including payroll) are authorized and valid
- Compliance with contract requirements
- Compliance with applicable laws
- Operational effectiveness

We reviewed information relating to the period January 1, 2008, through December 31, 2010, including activity through the end of fieldwork in June 2011.



# Comprehensive Operational Audit Airport Office Building (AOB)

## Audit Result

- Clean Audit Report



# Concession and Lease Audit Shilshole Bay Fuel Dock

## Background

The Shilshole Bay Fuel Dock provides fuel filling services for moorage customers and the public at Shilshole Bay Marina. The current agreement was signed in December 2006 and amended/extended in December 2009 through November 30, 2011.

For the audit period, the aggregate number of gallons pumped and resulting flowage fees were as follows:

Flow Fee Reporting Period	Number of Gallons	Fees Paid
May 2010	66,604.24	\$664.04
November 2010	176,367.00	\$1,763.67
Total	242,971.24	\$2,427.71



# Concession and Lease Audit Shilshole Bay Fuel Dock

## Audit Objectives

The purpose of the audit was to determine whether:

- Rent payments were remitted timely to the Port.
- Reported flowage fees were complete, properly calculated, and remitted timely to the Port.
- Lessee complied with provisions of the Lease and Concession Agreement pertaining to environmental standards, insurance and indemnity.

We examined the books and records of Shilshole Bay Fuel Dock for the period from December 1, 2009, through December 31, 2010.



# Concession and Lease Audit Shilshole Bay Fuel Dock

## Audit Result

- Clean Audit Report