



*Exit Conference for
PORT OF SEATTLE
Internal Audit Department
Peer Review*

September 11, 2012



Peer Review Results

I Peer Review Results

❖ Government Auditing Standards

- Pass: complies with Standards

II Government Audit Standards

❖ International Standards for the Professional Practice of Internal Auditing

- Pass with Deficiencies: partially Complies with Standards

III Internal Audit Standards

IV Conclusion



Government Auditing Standards Review

I Peer Review
Results

II **Government
Audit
Standards**

III Internal Audit
Standards

IV Conclusion

❖ Review encompassed:

- Written policies and procedures
- Internal Monitoring Process
- Sample of audit workpapers
- Department's independence, training and staff development
- Interviews with staff, Audit Committee liaison, Senior Management



Government Auditing Standards Results

I Peer Review
Results

❖ Internal Audit Department received
“highest” rating:

- “Internal Audit Department’s internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards...”

II Government
Audit
Standards

❖ Management Letter Issued

- Identified areas of excellence
- Recommended areas of improvement
 - Implement Annual Monitoring of Quality
 - Update Auditor’s Handbook

III Internal Audit
Standards

IV Conclusion



Internal Audit Standards

I The Peer
Review Team

II Government
Audit
Standards

III **Internal Audit
Standards**

IV Conclusion

❖ **Review Encompassed:**

- **Quality Control System**
- **Independence and Audit Department Charter**
- **Risk Assessment and Annual Audit Plan**
- **Required Communication with Audit Committee**
- **Follow up on prior audit issues**
- **Sample of audit workpapers**
- **Department's independence, training and staff development**
- **Interviews with staff, Audit Committee liaison, Senior Management**



Internal Audit Standards

I The Peer Review Team

❖ **Internal Audit Department received “medium” rating:**

- “...except for deficiencies noted below,... the internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with the Standards...”

II Government Audit Standards

III **Internal Audit Standards**

IV Conclusion

❖ **Deficiencies noted:**

- **Update and Implement Audit Charter**
- **Provide Mandatory Communications**
- **Update Auditor’s Handbook**



Internal Audit Standards

I The Peer
Review Team

II Government
Audit
Standards

III **Internal Audit
Standards**

IV Conclusion

❖ **Management Letter:**

- **Identified Areas of Excellence**
- **Recommended Areas of Improvement**
 - **Update & Implement Audit Department Charter**
 - **Provide Mandatory Communication to Audit Committee required by Standards**
 - **Update Auditor's Handbook**



Conclusion

I The Peer
Review Team

II A.L.G.A.

III Auditing
Standards

IV Review
Objectives

V **Conclusion**

❖ **ALGA and the Peer Review Team would like to commend the Port of Seattle Internal Audit Department for completing a Peer Review**

❖ **Peer Review Team would like to thank the Port of Seattle for their hospitality and professionalism during the Peer Review process**