



2013 Proposed Work Plan

by

*Port of Seattle
Internal Audit*

January 1, 2013, through December 31, 2013

Issue Date: December 4, 2012

DRAFT - For Discussion Purposes Only

Table of Contents

RISK SCORING METHODOLOGY	3
RISK RATING SUMMARY	4
1) Carryover Audits from 2012	
2) Comprehensive Operational Audit (i.e., Business Units/Departments Operational Audits)	
3) Limited Operational Audit (Functional Port-wide audit Approach)	
4) Central Key Processing Systems	
5) IT Audits	
6) 3 rd Party Management Agreements	
7) Lease and Concession	
ATTCHMENT A - TOP 40 AUDITABLE UNITS BASED ON OUR RISK SCORING METHODOLOGY	11
ATTACHMENT B – PROPOSED 2013 AUDIT PROJECTS WITH PRIOR AUDIT COVERAGE	13

DRAFT - For Discussion Purposes Only

Risk Scoring Methodology

Each auditable unit is assessed and rated on a scale of 1 to 5 for the following applicable risks:

1. Strategic/Governance Risk
Risk of inconsistent policies and guidance with poor strategic directions
2. Operational Risk
Risk of ineffective and inefficient operations due to inadequate processes and management
3. Accountability/Transparency Risk
Risk of becoming a remiss custodian of the public trust
4. Reporting Risk
Risk of misreporting (i.e., miscommunicating) financial and operating results
5. Information Technology (IT) Risk
Risk of significant negative impact to operations due to unmitigated Information Technology (IT) vulnerabilities
6. Compliance Risk
Risk of noncompliance with applicable Federal, State, Local, and Port policies, procedures, and agreements

The current Internal Audit risk rating model consists of the following:

- Six columns across, each representing one of the aforementioned six risks
- Auditable units listed in rows

Below is a snapshot of the risk rating model (only two risks are listed for demonstration purposes):

	Governance Risk		Operational Risk	
	Impact	Likelihood	Impact	Likelihood
Business Units				
Auditable unit #1				
Auditable unit #2				

On a scale of 1 to 5, Internal Audit rates each auditable unit under applicable risks for their impact and likelihood. Following the assignment of risk rating of impact and likelihood, the ratings are multiplied to derive a final quantitative determinant on a scale of 1 to 25 (5 for impact x 5 for

likelihood). When complete, auditable units are sorted in descending order based on the quantitative determinant to generate a work plan for the upcoming year.

The final risk determinant translates to the following qualitative risk ratings of low, medium, and high:

- Low Risk=1-5
- Medium Risk=6-12
- High Risk=13-25

5.0	5.0	7.5	10.0	12.5	15.0	17.5	20.0	22.5	25.0
4.5	4.5	6.8	9.0	11.3	13.5	15.8	18.0	20.3	22.5
4.0	4.0	6.0	8.0	10.0	12.0	14.0	16.0	18.0	20.0
3.5	3.5	5.3	7.0	8.8	10.5	12.3	14.0	15.8	17.5
3.0	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0
2.5	2.5	3.8	5.0	6.3	7.5	8.8	10.0	11.3	12.5
2.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0
1.5	1.5	2.3	3.0	3.8	4.5	5.3	6.0	6.8	7.5
1.0	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0
	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0

Risk Rating Summary

Internal Audit’s risk assessment and scoring resulted in the following proposed audits by type.

Audit Type	Count	Est. Hours	
		Hours	%
Lease and Concession	4	1,200	12%
Limited Operational Audit	11	5,500	57%
Comprehensive Operational Audit	4	1,600	16%
3rd Party Management	0	0	0%
Central Key Processing Systems	1	450	5%
Contingency for unexpected projects and consulting services		975	10%

Non-Lease Audit Coverage 78%

Specific suggested audits for 2013 are as follows:

- 1) Carryover Audits from 2012

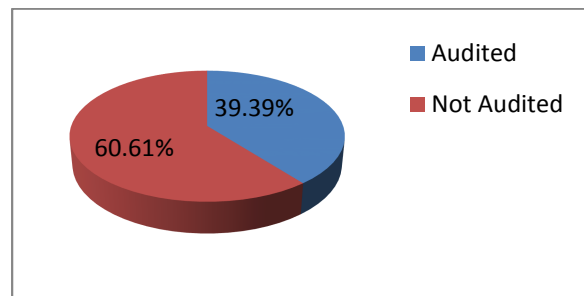
The following review was not completed in 2012 due to staffing and workload. This project will be carried to the 2013 Work Plan.

- a) Systems Review - General Ledger

- 2) Comprehensive Operational Audit (i.e., Business Units/Departments Operational Audits)

There are currently sixty-seven (67) business organization nodes at the Port. A node is a group of individual org units that share common business purposes/practices. Below is a pie chart demonstrating business unit audit coverage in the past five years. Internal Audit did not have

sufficient staffing until four years ago when the department was formally established. Hence, the majority of the audit coverage noted represents mainly the last four years. Previously audited business units represent those we assessed and deemed to be most at risk.



The list below of proposed business unit reviews captures all high-risk departments based on the 2013 risk assessment. No high-risk departments are part of the group of not-audited (60.6% in the above pie chart).

Internal Audit recommends the following business units for review in 2013. It should be noted that Internal Audit conducts risk-based audits. While a department review includes all aspects of department operations, only the areas of perceived high risk will be included in the final scope. Additionally, performance aspects of department operations will be part of all department reviews, where feasible.

a) Fishermen's Terminal

Fishermen's Terminal offers moorage primarily to a fleet of commercial fishing vessels along with associated services including locker rental and the likes. The department has a receipting operation for the payment of various fees. Internal Audit previously reviewed the department and noted certain weaknesses in receipting operations. Management expressed interest (and Internal Audit agreed) for another review to determine whether the department has adequate and sufficient controls in areas of high risk including, but not limited to, receipting operations.

The proposed audit will examine management controls in areas of potential negative impact to the department and the Port to ensure adequate and sufficient mitigation.

b) Public Parking

Public Parking at Sea-Tac International Airport represents the single largest operating revenue stream at the Port. During 2012, management replaced an aging parking revenue system to address, among other things, Payment Card Industry (PCI) requirements on credit card payments. Management's post-implementation reviews revealed significant system errors that resulted in revenue losses.

The proposed audit will examine existing management revenue controls to determine adequacy and effectiveness. In particular, the proposed audit will determine whether there are control gaps within the new system.

c) Rental Car Facility

The Port opened a new rental car facility in 2012 after many years of construction. It is a 24/7 facility with shuttle services to/from the airport. The department is a new department with approximately 90 FTEs, most of whom are shuttle drivers. To assist the new department in its efforts to establish an effective system of controls, Internal Audit proposes a review of the overall rental car department operations.

The proposed audit will review controls in all department operations to determine effectiveness and effectiveness.

d) Aviation Maintenance

Aviation Maintenance is the largest department at the Port with 350+ FTEs. It maintains various infrastructure and systems from the parking revenue system to elevators at the airport. The department operations necessitate an inventory with an annual balance of \$3+ million in supplies and spare parts, most of which is warehoused in the vicinity of the airport. The department uses Maximo, an asset management system, for most of its activity including supply checking in/out and time coding. In recent months, the department has broadened its use to fully utilize functions including the use of mobile devices for on-line, on-time processing of work orders.

The proposed audit will examine existing management controls to determine adequacy and effectiveness in areas of high risk, including inventory.

3) Limited Operational Audit (Functional Port-wide audit Approach)

a) Controls Over the Port's Deferred Compensation Programs

The Port, as part of overall compensation, provides eligible union and non-union employees with a deferred compensation plan for their retirement needs. The plan was created in accordance with applicable Internal Revenue Code. The Port offers an employer matching contribution to the plan based on employee tenure. The plan assets are place in a separate trust.

The proposed audit will examine management controls to ensure compliance with applicable rules and regulations, as well as proper oversight.

b) Controls and Compliance over Debt Service

The Port utilizes various vehicles to finance long-term capital projects. As of 12/31/2011, the total long-term debt is approximately \$3.4 billion, consisting primarily of Revenue and General Obligation (GO) bonds. Corporate Finance and Budget oversees activity associated with debt financing and servicing.

The proposed audit will examine management debt service controls to determine effectiveness, as well as compliance with the Port's debt policies and bond covenants.

c) Review of Payroll Processes at Police and Fire

Police and Fire employ over 200 represented officers and firefighters. Services by both departments are expected to be available 24/7, which adds complexities to scheduling and tracking actual hours worked. The more sophisticated a payroll system, the more prone it is to human errors and unintentional complications. The Fire Department has recently implemented a new program to streamline its payroll processes, and an objective review of the new system could bring additional refinements. The Police Department continues to receive grants for some of its programs, which are mostly, if not all, payroll reimbursements. An effective payroll system is critical to ensuring complete and proper reimbursement requests.

The proposed audit will examine management controls to determine whether the controls are effective in ensuring proper and accurate processing/reporting of payroll information.

d) Review of Port Jobs Contract Before Expiration

The Port of Seattle funds a non-profit organization, Port Jobs, to provide employment training and opportunities within the port-related economy. In exchange for the funding, Port Jobs has agreed to deliver certain activities and services. The current agreement has been extended once and will soon expire.

The proposed audit will examine Port Jobs to ensure that all agreed-upon deliverables have been realized in accordance with the agreement.

e) Review of Port's Small Contractors and Suppliers (SCS) Program

In 2010, the Port Commission adopted Resolution 3618 to promote and support small business opportunities within the Port. The Resolution created new small business size standards and a certification program. The program has matured to a point where an objective review can be conducted.

The proposed audit will determine program effectiveness and the adequacy of management controls to ensure continuing success of the program.

f) Controls over Small Federal Grants Administration

Federal financial assistance is required to be audited (commonly referred to as Single Audit), if the assistance exceeds \$500,000 annually. Currently the Port's independent auditor, Moss Adams, examines federal assistance annually and reports on compliance and controls. In a Single Audit, an audit approach is quite prescriptive, not only in determining what to audit but also to the extent of audit procedures. Due to the prescriptive nature of the Single Audit, small federal assistance programs often stay "under the radar" and do not receive visibility.

The proposed audit will review management controls to determine whether the controls are adequate and effective to ensure: 1) compliance and 2) proper and complete inclusion of all eligible costs in the reimbursable cost pool.

g) Federal Inspection Services (FIS) Revenue Review

FIS charges are assessed to inbound international passengers who use the space for the inspection by Customs and Border Protection (e.g., US Customs area). Much like concession agreements, FIS fees are self-reported to the Port by international carriers. Management has little or no means at the time of the reporting to verify the accuracy and completeness of the fees. In recent years, the Port has been successfully attracting international carriers to Sea-Tac. As a result, the number of international passengers has been steadily growing.

The proposed audit will examine reported FIS fees to determine accuracy and completeness.

h) Controls over Port Construction Services (PCS) Close-Out Processes

At the close of a project, PCS keeps a number of documents to ensure that a complete set of records is retained in accordance with applicable requirements (e.g., Port policies, federal requirements). There are often overlapping record retention responsibilities among various departments (e.g., CPO, Accounting). There is an efficiency concern.

The proposed audit will review management controls to determine whether the current PCS close-out process is efficient, especially in record retention.

i) Controls over Purchases under \$20,000 from acquisition to disposal/surplus

Purchases with a reasonable useful life but below the Port's capitalization threshold - currently \$20,000 - are recognized as an expense. However, in recognition of their useful life, departments are required to have a system in place to account for such purchases from acquisition to surplus/disposal. Often these purchases are referred to as "small and attractive" and/or "tools and supplies." Due to their relatively low value and portable size, they are more prone to misplacement and potential misuse.

The proposed audit will review Port policies/procedures for adequacy, and review departments to determine whether the policies are being complied with as intended.

j) Follow-Up Review of Port's Fleet Operations

Internal Audit reviewed fleet operations in 2011 and noted issues related to less than optimal use of Maximo and noncompliance with fleet management policy. Management has been addressing the issues, and the proposed follow-up will review post-audit management action to determine whether the issues have been effectively addressed.

k) Review of Port Code of Conduct and Ethics Programs

Internal Audit attempts to conduct one governance audit annually, to provide reasonable assurance of effectiveness. Per the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA), Standard 2110—Governance requires audits of governance processes related to ethics and values within an organization. In 2013, Internal Audit proposes a review of the Port's code of conduct and ethics programs, in recognition that these are fundamental to being a good steward of the public trust. Appropriate ethics and values also promote and maintain a high performing and respectful workforce.

The proposed audit will review programs' effectiveness and review management controls to ensure continuing success of the programs.

4) Central Key Processing Systems

Internal Audit will conduct a carryover audit of the General Ledger from 2012 work plan in 2013.

5) IT Audits

Internal Audit will conduct a number of IT engagements in 2013 based on a 3-year audit work plan from the Enterprise Technology Risk and Assessment in 2012.

It should be noted that the planned 2013 IT audits will be outsourced. Internal Audit is not currently staffed with the necessary expertise to conduct specialized IT audits.

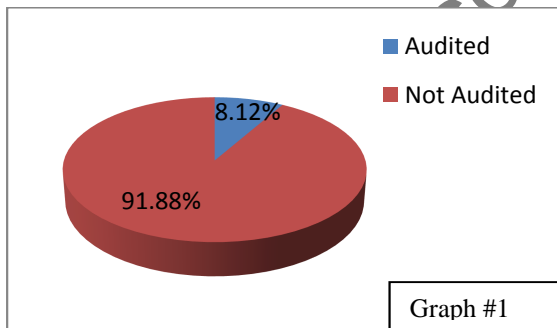
6) 3rd Party Management Agreements

Internal Audit does not propose a review of 3rd party management agreements in 2013. All 3rd party agreements have been reviewed in the last three years.

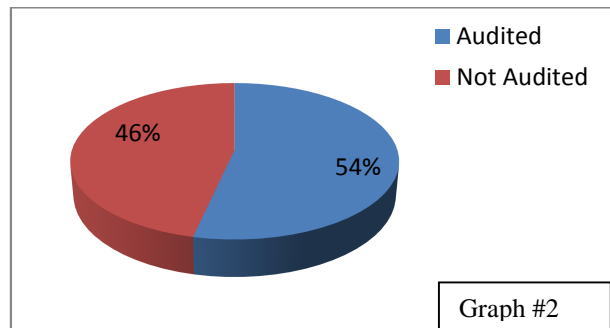
7) Lease and Concession

There are 468 lease and concession agreements according to PROPWorks. Of those, we have audited thirty-eight agreements in the past five years. See Graph #1.

Audit Coverage as Percentage of the Total Lease and Concession Agreement Universe



Audit Coverage as Percentage of the Concession Agreements Only



Of 468 lease and concession agreement universe, approximately 71 have a concession part to the agreement, and these are considered high risk. The rest of the lease agreements are mainly for space rentals. Although these agreements have a high financial impact, they are considered low risk due to the fixed and regularly occurring income stream (i.e., rent).

For concession agreements, we have audited 38 of 71 agreements in the past 5 years. See Graph #2. The agreements we have audited represent agreements with the largest financial contributions to the operating revenues (i.e., most at risk). Our approach to concession audits in the past 5 years has been to cycle the biggest revenue contributors as frequently as department resources permit. The remaining 33 concession agreements are of low dollar contributors to the Port and, thus, considered low risk in quantitative terms.

Internal Audit proposes the following lease agreements for review in 2013:

- a) Retail Lease and Concession Agreements
 - Inmotion Pictures - electronics, entertainment and accessories retailer
- b) Food and Beverage Lease and Concession Agreements
 - o Vino Volo – wine bar
 - o Dilettante Chocolates – café with mocha, coca, truffles, etc.
- c) Service Concession Agreements
 - Massage Bar – onsite massage clinic

DRAFT - For Discussion Purposes Only

Attachment A - Top 40 Auditable Units Based On Our Risk Scoring Methodology

Legends for the table are as follows:

- ✓ - Projects selected for 2013.
- * - IT risks will be addressed in a separate engagement by an independent consultant.
- @ - Risks associated with airlines are addressed in separate engagements by type as opposed to reviewing each airline agreement for particular fee provisions. Although financial impact is high, the risk associated with airline landing fees is low because all costs are eventually recovered by the Port.

Example,

- Landing fees were reviewed as a type in 2010.
- Gate fees were reviewed as a type in 2011.

- # - Audits that have already been reviewed in the last three to five years are not selected again for 2013. Generally ratings, especially for lease and concession, are high because of their high revenue impact.
- X - Auditable units beyond the 40th are not part of the list and are not considered for 2013 audits because of unavailability of audit resources. Every year, Internal Audit will strive to audit what it believes has the highest risk to the Port.

Column headers are as follows:

- 1st column – rating from 1 to 40
- 2nd column – auditable units
- 3rd column – total risk rating score (product of the 4th and the 5th column)
- 4th column – risk rating score for impact
- 5th column – risk rating score for likelihood
- 6th column – audit groups
- 7th column – preliminary list of 2013 audits

	Auditable Unit	Total Score	Impact	Likelihood	Audit Universe Group	Preliminary 2013 Audits
1	Controls Over the Port's Deferred Compensation Programs	13.59	3.75	3.63	Limited Operational Audit	✓
2	Controls and Compliance over Debt Services	13.59	3.75	3.63	Limited Operational Audit	✓
3	ALASKA AIRLINES INC	12.89	4.13	3.13	Lease and Concession	@
4	Review of Payroll Processes at Police and Fire	12.83	3.67	3.50	Limited Operational Audit	✓
5	Review of Port Jobs Contract Before Expiration	12.83	3.67	3.50	Limited Operational Audit	✓
6	Review of Port's Small Contractors and Suppliers (SCS) Program	12.83	3.67	3.50	Limited Operational Audit	✓

7	Controls over Small Federal Grants Administration	12.69	3.50	3.63	Limited Operational Audit	✓
8	General Control	12.50	3.75	3.33	IT Audit	*
9	Application Control	12.50	3.75	3.33	IT Audit	*
10	Risk Assessment	12.00	4.00	3.00	IT Audit	*
11	Performance	12.00	4.00	3.00	IT Audit	*
12	DELTA AIR LINES INC	11.72	3.75	3.13	Lease and Concession	✓
13	Federal Inspection Services (FIS) Revenue Review	11.67	3.33	3.50	Limited Operational Audit	✓
14	Controls over Port Construction Services (PCS) Close-Out Processes	11.67	3.33	3.50	Limited Operational Audit	✓
15	Follow-Up Review of Port's Fleet Operations	11.14	3.30	3.38	Limited Operational Audit	✓
16	Controls over Purchases under \$20,000 from acquisition to disposal/surplus	11.10	3.42	3.25	Limited Operational Audit	✓
17	DILETTANTE CHOCOLATES INC	10.94	3.13	3.50	Lease and Concession	✓
18	TASTE INC dba VINO VOLO	10.50	3.00	3.50	Lease and Concession	✓
19	INMOTION PICTURES	10.16	3.13	3.25	Lease and Concession	✓
20	MASSAGE BAR	10.16	3.13	3.25	Lease and Concession	✓
21	Landside (Public Parking and Rental Car Facility)	10.09	3.27	3.08	Comprehensive Operational Audit	✓
22	Fishermen's Terminal	9.93	3.45	2.88	Comprehensive Operational Audit	✓
23	General Ledger	9.92	3.50	2.83	Central Key Processing Systems	✓
24	Aviation Maintenance	9.77	3.50	2.79	Comprehensive Operational Audit	✓
25	UNITED AIRLINES	9.38	3.00	3.13	Lease and Concession	@
26	US AIRWAYS INC	9.38	3.00	3.13	Lease and Concession	@
27	Review of Port Code of Conduct and Ethics Programs	9.38	3.00	3.13	Limited Operational Audit	✓
28	P-Card Policy (expanded use)	9.00	3.00	3.00	Limited Operational Audit	#
29	Review process of declaring emergencies in Port projects	9.00	3.00	3.00	Limited Operational Audit	X
30	HOST INTERNATIONAL, INC	8.98	3.13	2.88	Lease and Concession	#
31	EX OFFICIO LLC	8.98	3.13	2.88	Lease and Concession	#
32	FOOD SYSTEMS UNLIMITED INC	8.98	3.13	2.88	Lease and Concession	#
33	IVARS INC	8.98	3.13	2.88	Lease and Concession	#
34	PALLINO SEATAC LLC	8.98	3.13	2.88	Lease and Concession	#
35	AVIS BUDGET CAR RENTAL	8.94	2.75	3.25	Lease and Concession	#
36	CLIPPER NAVIGATION INC	8.94	2.75	3.25	Lease and Concession	X
37	Payroll	8.93	3.40	2.63	Central Key Processing Systems	#
38	Procurement (legacy accounting function)	8.93	3.40	2.63	Central Key Processing Systems	#
39	EX-5 Policy -Lobbying Activities of Port Employees	8.85	2.83	3.13	Limited Operational Audit	X
40	EX-7 Procedure - Incident, Loss and Claim Procedures	8.85	2.83	3.13	Limited Operational Audit	X

Attachment B – Proposed 2013 Audit Projects with Prior Audit Coverage

DRAFT - For Discussion Purposes Only

ATTACHMENT B - PROPOSED 2013 AUDIT PROJECTS WITH PRIOR AUDIT COVERAGE



Port of Seattle Internal Audit Department
Proposed 2013 Audits
with
Prior Audit Coverage History

	Project Description	2010	2011	2012	Suggested 2013 Work Plan	Division	Contact	Responsible Mgmt.
Central Key Processing Systems	Accounts Receivables/Billings	✓				Corporate	Sherry Pittman	Rudy Caluza
	Asset Management		✓			Corporate	Debbi Browning	Rudy Caluza
	General Ledger			✓	✓	Corporate	Debbi Browning	Rudy Caluza
Comprehensive Operational Audit	Aviation Maintenance				✓	Aviation	John Christianson	Mark Reis
	Ground Transportation			✓		Aviation	Jeff Hoevet	Mike Ehl
	Rental Car Facility				✓	Aviation	Jeff Hoevet	Mike Ehl
	Airport Public Parking Garage	✓	✓		✓	Aviation	Diane Santiago	Jeff Hoevet
	Seatac Utility	✓				Aviation	Various	Soike
	Fire Department	✓				Aviation	Randy Krause	Wendy Reiter
	Fishermen's Terminal	✓			✓	Real Estate	Kenny Lyles	Darlene Robertson
	Aviation Marketing	✓				Aviation	Kazue Ishiwata	Dave Soike
	Airport Office Building		✓			Aviation	Michele Fidler	Antonio Baca
	Container Management		✓			Seaport	Michael Burke	Linda Styrk
	Airfield Operations		✓			Aviation	Mark Coates	Mike Ehl
	Marketing and other Services that Promote Port Services and Facilities	✓				Seaport	Bari Bookout	Linda Styrk
	Commission Office			✓		Corporate	Mary Gin Kennedy	Commissioners
	Air Terminal Operations			✓		Aviation	Nick Harrison	Mike Ehl
	Risk Management			✓		Corporate	Jeff Hollingsworth	Dan Thomas
Real Estate Division Portfolia Management			✓		Real Estate	Melinda Miller	Joe McWilliams	
3rd Party Management	Bell Harbor International Conference Center (BHIC)			✓		Real Estate	Melinda Miller	Joe McWilliams
	World Trade Center (WTC) -W Seattle			✓		Real Estate	Melinda Miller	Joe McWilliams
	Pier69 Port Cafeteria	✓				Real Estate	Nick Milos	Joe McWilliams
	VIP Lounge		✓			Aviation	Jeffrey Wolf	Jim Schone
	Aviation Lost and Found		✓			Aviation	Susan Hansen Smith	Nicholas Harrison
	3rd party administrator of self-funded medical/dental			✓		Corporate	David Leon	Gary Buchanan
	AVIS (owns Budget)			✓		Aviation	Jolene Culler/James Jennings	Jim Schone
	BUDGET RENT A CAR			✓		Aviation	Jolene Culler/James Jennings	Jim Schone
	ENTERPRISE (owns Alamo and National)		✓			Aviation	Jolene Culler/James Jennings	Jim Schone
	ALAMO RENT A CAR(owns by Enterprise)			✓		Aviation	Jolene Culler	Jim Schone
	NATIONAL CAR RENTAL (owns by Enterprise)			✓		Aviation	Jolene Culler	Jim Schone
	HERTZ Corp (owns Advantage)			✓		Aviation	Jolene Culler/James Jennings	Jim Schone
	Fox Rent-A-Car	✓				Aviation	Jolene Culler/James Jennings	Jim Schone
	DTAG (dbaThrifty)	✓				Aviation	Jolene Culler/James Jennings	Jim Schone
	CMC INVESTMENTS INC (dba Dollars)	✓				Aviation	Jolene Culler/James Jennings	Jim Schone
	HOST			✓		Aviation	Deanna Zachrisson	Jim Schone
	AIRPORT MANAGEMENT SERVICES LLC (Hudson)	✓	✓			Aviation	Deanna Zachrisson	Jim Schone
	CRUISE TERMINALS OF AMERICA LLC		✓			Seaport	Mike McLaughlin	Linda Styrk
	REPUBLIC PARKING NORTHWEST INC (Pier 66)	✓	✓			Real Estate	Melinda Miller	Joe McWilliams
	LOUIS DREYFUS CORP					Seaport	Mike McLaughlin	Linda Styrk
	SEATTLE RESTAURANT ASSOCIATES			✓		Aviation	Deanna Zachrisson	Jim Schone
	FIREWORKS					Aviation	Deanna Zachrisson	Jim Schone
FLYING FOOD FARE INC	✓				Aviation	Jolene Culler/James Jennings	Jim Schone	
GATE GOURMET INT'L	✓				Aviation	Jolene Culler/James Jennings	Jim Schone	

ATTACHMENT B - PROPOSED 2013 AUDIT PROJECTS WITH PRIOR AUDIT COVERAGE



Port of Seattle Internal Audit Department
Proposed 2013 Audits
with
Prior Audit Coverage History

	Project Description	2010	2011	2012	Suggested 2013 Work Plan	Division	Contact	Responsible Mgmt.
Lease and Concession	SKY CHEFS INC	✓				Aviation	Jolene Culler/James Jennings	Jim Schone
	CONCESSIONS INT'L INC.			✓		Aviation	Deanna Zachrisson	Jim Schone
	Wendy's (Latrelle's)		✓			Aviation	Deanna Zachrisson	Jim Schone
	Qdoba (ZRC)	✓				Aviation	Deanna Zachrisson	Jim Schone
	Pallino Pastaria	✓				Aviation	Deanna Zachrisson	Jim Schone
	Smarte Carte	✓				Aviation	Deanna Zachrisson/Bonnie Darch	Jim Schone
	Landed Weight/Landing fees - all airlines	✓				Aviation	Vicky Ausbun	Mike Ehl
	IVARs		✓			Aviation	Deanna Zachrisson	Jim Schone
	SODEXHO AMERICA LLC	✓				Aviation	Deanna Zachrisson	Jim Schone
	Crane Rental (EAGLE MARINE, STEVEDORE SVCS, TOTAL TERMINALS)	✓	✓	✓		Seaport	Mike Burke	Linda Styrk
	Citylce Cold Storage Company/ Pier 91		✓			Seaport	Mike Burke	Linda Styrk
	Bill and Nick Inc.		✓			Real Estate	Melinda Miller	Joe McWilliams
	Simply Wheelz LLC (Rent-A-Car)		✓			Aviation	Jolene Culler/James Jennings	Jim Schone
	Ex Officio LLC		✓			Aviation	Elaine Lincoln/Deanna Zachrisson	Jim Schone
	Food Systems Unlimited Inc		✓			Aviation	Elaine Lincoln/Deanna Zachrisson	Jim Schone
	Dilettante Chocolates Inc					Aviation	Elaine Lincoln/Deanna Zachrisson	Jim Schone
	Travelex Currency					Aviation	Elaine Lincoln/Deanna Zachrisson	Jim Schone
	Inmotin Pictures					Aviation	Deanna Zachrisson	Jim Schone
	Vino Volo					Aviation	Deanna Zachrisson	Jim Schone
	Massage Bar					Aviation	Deanna Zachrisson	Jim Schone
STILA (limousine association)					Aviation	Jeffrey Hoevet	Mike Ehl	
Airline Audit (one or two annually)			✓		Aviation	Vicky Ausbun	Mike Ehl	
Subtenant Review (e.g., Concourse Concession)			✓	✓	Aviation	Deanna Zachrisson	Jim Schone	
Fuel Dock at Shilshole			✓		Real Estate	Darlene Robertson	Joe McWilliams	
Follow-Up of Prior Audit Findings and/or Management Letter Items	Aviation/Marine Maintenance -- inventory	✓				Aviation/Real Estate	Real Estate-Lindsay Pulsifer/ Airport-John Christianson	Real Estate-Lindsay Pulsifer/ Airport-John Christianson
	Ground Transportation - revenue completeness	✓				Aviation	Stacy Mattson	Jeff Hoevet
	ID Badging - receipting/system weaknesses	✓				Aviation	Christian Samlaska	Wendy Reiter
	Police Department		✓			Corporate	Rodney Covey	Colleen Wilson
Continuous Monitoring (CM)	Design CM procedures related to Vendor vs. Employee Database	✓				Corporate	Jack Hutchinson	Joyce Kirangi
	Design CM procedures related to Request for Payment	✓				Corporate	Jack Hutchinson	Joyce Kirangi
	Execute and Test CM Procedures		✓			Corporate	Jack Hutchinson	Joyce Kirangi

ATTACHMENT B - PROPOSED 2013 AUDIT PROJECTS WITH PRIOR AUDIT COVERAGE



Port of Seattle Internal Audit Department
Proposed 2013 Audits
with
Prior Audit Coverage History

	Project Description	2010	2011	2012	Suggested 2013 Work Plan	Division	Contact	Responsible Mgmt.
Limited Operational Audit	Port Contracting Practices at Capital Development Division (CDD) - Post SAO Audit/Effectiveness	✓				Capital Development	Ralph Graves	Ralph Graves
	Fleet Maintenance (cross functional Program) - efficiency		✓			Aviation/Real Estate	Mary Ann Lobdell/Benny Austin/Luisa Bangs	John Christianson/Lindsay Pulsifier
	Travel and Entertainment (T&E) - economy/accountability	✓				Corporate	Duane Hill	Rudy Caluza
	Mobile Communication Device Procurement Practices and Administration	✓	✓			Corporate	Kim Albert	Peter Garlock
	Office of Social Responsibility - effectiveness/is the dept. achieving the objective?	✓				Corporate	Luis Navarro	Luis Navarro
	ABM contract (Aviation Main Terminal janitorial services) - effective monitoring?	✓	✓			Aviation	Andy Frank	Mike Ehl
	Overtime - Port staff - all aviation depts.	✓				Aviation	Various/Borgan Anderson	Mark Reis
	Compliance cost of CPO series polices/procedure			✓		Capital Development	Nora Huey	Ralph Graves
	Delegation of Authority			✓		Governance	CEO	Commission
	Corp. cost allocations/Aviation Revenue Diversion			✓		Corporate	Michael Tong	Dan Thomas
	Monitoring of Insurance requirements on various contracts			✓		Corporate	Jeff Hollingsworth	Dan Thomas
	Procurement card administration			✓		Corporate	Patty Etzkorn	Tim Jayne
	Controls Over the Port's Deferred Compensation Programs				✓	Corporate	Elizabeth Morrison/HR	Dan Thomas
	Controls and Compliance over Debt Services				✓	Corporate	Elizabeth Morrison	Dan Thomas
	Review of Payroll Processes at Police and Fire				✓	Aviation/Corp		Mark Reis/Tay Yoshitani
	Review of Port Jobs Contract Before Expiration				✓	Port Wide	Luis Navarro	Tay Yoshitani
	Review of Port's Small Contractors and Suppliers (SCS) Program				✓	Port Wide	Luis Navarro	Tay Yoshitani
	Controls over Small Federal Grants Administration				✓	Port Wide	Port Wide	Port Wide
	Federal Inspection Services (FIS) Revenue Review				✓	Aviation	Vicky Ausbun	Mike Ehl
	Controls over Port Construction Services (PCS) Close-Out Processes				✓	CDD	Dwight Rives	Ralph Graves
Follow-Up Review of Port's Fleet Operations				✓	Aviation/Real Estate	Mary Ann Lobdell/Benny Austin/Luisa Bangs	John Christianson/Lindsay Pulsifier	
Controls over Purchases under \$20,000 from acquisition to disposal/surplus				✓	Port Wide	Port Wide	Port Wide	
Review of Port Code of Conduct and Ethics Programs				✓	Governance	Vickie Rawlins	Craig Watson	
HR policies/procedures related to service/PTO hours after separation			✓		Corporate	Tammy Woodward	Gary Buchanan	
Enterprise Risk Management (ERM)	ERM/Strategic Planning	✓	✓	✓	✓	Corporate	Jeff Hollingsworth	Dan Thomas
Contingency	Payment Card Industry (PCI) Compliance	✓	✓			Corporate	Various	Various
	Special Projects as Requested, Unexpected Events, etc...	✓	✓			Various	Various	Various