



# Office of the Washington State Auditor

Pat McCarthy

## **Exit Conference: Port of Seattle**

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independence and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

### **Audit Reports**

We will publish the following reports:

Accountability audit for January 1, 2018 through December 31, 2018.

Assessment audit of the Industrial Development Corporation of the Port of Seattle for January 1, 2015 through December 31, 2018.

### **Audit Highlights**

We appreciate the Port's commitment to the safeguarding of public funds and developing control systems that ensure compliance with laws and regulations.

We also appreciate the collaboration and assistance from our Audit Liaison, Debbi Browning. She helped ensure a smooth audit process from start to finish.

### **Recommendations not included in the Audit Reports**

#### **Exit Items**

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

### **Status of Prior Management Letter items**

Brief Description	Resolved	Unresolved
Compensation increases for non-represented employees	X	

### **Work of Other Auditors**

A financial statement and Single audit was performed by Moss Adams LLP of the Port. Professional audit standards require us to evaluate relevant work done by other auditors and communicate certain matters to the governing body.

- We performed procedures to ensure we could rely on the work of the external auditors and reference their audit in our audit report. These procedures included consideration of attendance at key meetings, evaluation of the firm's last peer review report, review of the other auditor's work, review of the other auditor's results and communications with the other auditor.
- We did not become aware of any instance in which the work of the other auditors gave rise to concern about the quality of their work.
- There were no limitations that restricted our analysis of the other audit(s).
- We did not become aware of any instance in which a material misstatement of the financial statements has or may have resulted from fraud or suspected fraud.

## **Finalizing Your Audit**

### **Report Publication**

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal/>

### **Management Representation Letter**

We have requested a copy of representations of management.

### **Audit Cost**

At the entrance conference, we estimated the cost of the audit to be \$101,000. Actual audit costs will approximate \$107,000, due to additional work required for audit issues.

### **Your Next Scheduled Audit**

Your next audit is scheduled to be conducted in September 2020 and will cover the following general areas:

- Accountability for Public Resources
- Review of CPA work papers

The estimated cost for the next audit based on current rates is \$113,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

## **Working Together to Improve Government**

### **Audit Survey**

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

## **The Center for Government Innovation**

The Center for Government Innovation of the Office of the Washington State Auditor is designed to offer services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean, peer-to-peer networking and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (360) 725-5621 or email us at [Center@sao.wa.gov](mailto:Center@sao.wa.gov).

### **Questions?**

Please contact us with any questions about information in this document or related audit reports.

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