



Accountability Audit Exit Conference

Presented to Port of Seattle
Audit Committee
May 7, 2020

SAO Executive Management



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Executive Summary

Audit Scope

- Accountability audit for 2018 (*see draft report*).

Audit Results in Brief

- In the areas we examined, the Port operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

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

Prior Year Follow-up

Compensation increases for non-represented employees

- Management letter and exit recommendation
 - Status: Resolved

Small and attractive assets

- Exit Recommendations
 - Status: Resolved

Accountability Areas Examined

Industrial Development Corporation

- ❑ Reviewed controls over operations and financial statements for fiscal years 2015-2018
- ❑ Audit result: no issues

Self-insurance programs

- ❑ Reviewed controls over claims administration, contracts language, solvency requirements, and proper approvals from state
- ❑ Ensured accurate reporting to State (BARS schedule 21)
- ❑ Audit result: no issues

Accountability Areas Examined

Bell Harbor Marina- petty cash/change funds

- ❑ Reviewed controls over the petty cash/change fund safekeeping procedures
- ❑ Audit results: no issues

Fire department overtime pay

- ❑ Reviewed controls over the overtime payroll process at the Fire department
- ❑ Reviewed selected overtime payments for compliance with Port policy and union requirements
- ❑ Audit results: no issues

Accountability Areas Examined

Procurement of Professional Service (A&E) contracts

- ❑ Reviewed controls over the procurement of professional service contracts
- ❑ Tested 17 contracts for compliance with state law
- ❑ Audit results: exit recommendation

Electronic Fund Transfers (EFT)

- ❑ Reviewed controls over the creation of new vendors, modifications of vendor bank accounts, and payments
- ❑ Tested 33 additions/modifications of vendor information and payments
- ❑ Audit results: exit recommendation

Accountability Areas Examined

Employees used for public works projects

- ❑ Reviewed controls over the use of employees for public works projects and compliance with state law
- ❑ Audit results: exit recommendation

Concluding Remarks

- **Audit cost**
 - Total estimated cost: \$107,000
- **Next scheduled audit – September 2020**
 - Accountability for Public Resources
 - Review of CPA work papers
- **Report publication**
- **Management Representation Letter**

Audit highlight: we appreciate the collaboration and assistance from our Audit Liaison. She helped ensure a smooth audit process from start to finish.