



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting December 8, 2020

DATE: November 10, 2020

TO: Stephen P. Metruck, Executive Director

FROM: Rudy Caluza, Director, Accounting and Financial Reporting

SUBJECT: Resolution No. 3782 – Appointment of Port Auditor pursuant to RCW 53.36.010 and RCW 42.24.080

ACTION REQUESTED

Request introduction of Resolution No. 3782: A Resolution of the Port Commission of the Port of Seattle appointing Lisa Lam, Assistant Director, Accounting and Financial Reporting Department, as Port Auditor for the Port of Seattle pursuant to RCW 53.36.010 and RCW 42.24.080.

EXECUTIVE SUMMARY

The Port of Seattle regularly pays its vendors, contractors, and employees as outlined in the monthly Claims and Obligations memo presented to the Commission. RCW 53.36.010 and RCW 42.24.080 require that these payments made by the Port of Seattle be authenticated and certified by a Port Auditor appointed by the Port Commission by resolution. Debbi Browning, Assistant Director, Accounting & Financial Reporting Department, has been performing this role and will be retiring after 27 years of service to the Port of Seattle. This resolution formally designates Lisa Lam, Assistant Director, Accounting and Financial Reporting Department, to carry out the responsibilities effective January 1, 2021.

JUSTIFICATION

The Port has effective and appropriate internal controls in place for payments of claims including procurement/contracting policies and central oversight, proper delegation of authority, payments approval and documentation, perjury statement certifications for all payments, and monitoring of Port spending and against budgets. The Port's financial transactions and internal controls are subject to audit by the Port's Internal Audit office and external audits by both the State Auditor's Office and the Port's independent certified public accounting firm.

RCW 53.36.010 requires all port districts funds to be paid and disbursed upon checks signed by a Port Auditor appointed by the Commission by resolution upon vouchers approved by the Commission. RCW 42.24.080 requires all claims paid to be authenticated and certified that they are just, due and unpaid obligations of the Port. This resolution appoints and formally designates Lisa Lam, Assistant Director, Accounting & Financial Reporting Department, as Port Auditor to carry out the responsibilities as set forth by the RCW.

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The Port Auditor is a statutorily established title with prescribed responsibilities as outlined above. The State Auditor, also statutorily established, conducts public accountability and legal compliance audits of all state, regional and local jurisdictions. Moss Adams, the Port's external independent Certified Public Accounting firm, conducts the financial statements and federal grants regulatory compliance audits. The Port's Internal Audit office, which reports to the Commission Audit Committee, conducts audits of Port departments, programs, functions, systems, contracts, and activities based on the approved audit plan or specific requests as approved by the Audit Committee.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3782

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

January 8, 2019 – the Port of Seattle Commission approved and adopted Resolution 3753.

December 11, 2018 – the Port of Seattle Commission approved introduction of Resolution 3753.

The following is a list of Port Auditors appointed over the years by resolution of the Port Commission. After 1964, there appears to have been a lapse in the practice of appointing auditors in this manner.

- Debbi Browning – January 8, 2019 – Resolution 3753
- Edward E. Ainslie – June 23, 1964 – Resolution 2171
- John C. Foster – July 25, 1957 – Resolution 1838
- J.H. McCutchen – January 3, 1956 – Resolution 1682
- P.B. Curry – October 7, 1935 – Resolution 850
- C.L. Sorensen – July 3, 1934 – Resolution 811
- W.S. Lincoln – January 10, 1913 – Resolution 82