

# Exit Conference

Port of Seattle

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*Disclaimer: This presentation is intended to be viewed in conjunction with the complete packet of exit materials provided. A copy of those materials may be requested by contacting the presenters listed or by emailing [PublicRecords@sao.wa.gov](mailto:PublicRecords@sao.wa.gov).*



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# Results that Matter



Increased trust in government



Independent, transparent examinations



Improved efficiency and effectiveness of government



Pat McCarthy  
State Auditor

# Accountability Audit Results

January 1, 2019 through December 31, 2019

## Results in Brief

This report describes the overall results and conclusions for the areas we examined.

In those selected areas, 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.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.





# Accountability Audit Results

Using a risk-based audit approach, for the Port, we examined the following areas during the period:

- Payroll – overtime and double-time
- Rent deferral payment plans – compliance with state law
- Credit cards – purchase cards and travel and expense cards
- Financial condition



# Payroll – Overtime and double-time



We reviewed the Port’s policies, gained an understanding of the Port’s controls over double-time and overtime, performed analytical procedures, and selected payroll transactions for testing. Our audit determined the following:

Internal controls	Sufficiently designed to safeguard resources. However, we did identify one “exit item.”
Overtime and double-time	Transactions complied with Port policy, were valid, and adequately supported by the appropriate records.

*Audit highlight: We appreciated Duane Hill, Karin Olmstead, Jenniann Kealin, Ann McClellan, Brendalynn Taulelei and Lisa Drake and their staff for their assistance and timely responses.*

# Rent deferral payment plans



We gained an understanding of the Port’s rent deferral payment plans, ensured the program was approved by the Commissioners, and reviewed the program to ensure it complied with state law and port policy. Our audit determined the following:

Internal controls	Sufficiently designed to safeguard resources
Rent deferral payment plans	The program was approved by the appropriate individuals and complied with state law and port policy.

*Audit highlight: We would like to highlight Lisa Lam and Rudy Caluza for their assistance and timely responses while reviewing the Port’s Rent deferral payment plans.*

# Credit cards



We reviewed the Port's policies and procedures over credit cards, gained an understanding of the Port's internal controls, and selected transactions to ensure transactions complied with Port policies, supported, and valid. Our audit determined the following:

Internal controls	Sufficiently designed to safeguard resources
Purchase cards and travel and expense card	Transactions complied with Port policies, were adequately supported by supporting records, and for valid Port purposes.

*Audit highlight: Karmeli Cayetano and Kari Wilmus responded to questions about our credit card and travel and expense card work timely.*



# Financial condition



We performed a trend of key financial indicators, assessed additional non-financial information to identify potential impacts, and analyzed the Port’s response to COVID including monitoring performed by management. Our audit determined the following:

Internal controls	Sufficiently designed to safeguard resources
Financial Condition	We noted no issues in the Port’s financial condition or sustainability.

*Audit highlight: We would like to thank Michael Tong, Corporate Budget Director, for his assistance and timely responses.*

# Tracker: A clear path to all your audit information



## Using tracker, your government can:

- Get up to speed more quickly when turnover occurs
- Better and more quickly prepare for upcoming audits
- More easily identify and resolve issues
- Enter a status update at the time of the change
- Show quickly that it resolved an issue – and get the credit for that expedient resolution



# Work of Other Auditors

- A financial statement and federal grant audit was performed by Moss Adams of the Port.
- We did not find anything about their work that caused concern about its quality.
- No limitations restricted our analysis of the other audits.
- Did not notice any instance in which a material misstatement of the financial statements has or may have resulted from fraud or suspected fraud.



# Closing Remarks

- Audit costs are in alignment with our original estimate
- Next audit: Fall 2021
  - Accountability for public resources

An estimated cost for the next audit has been provided in our exit packet





# Report Publication

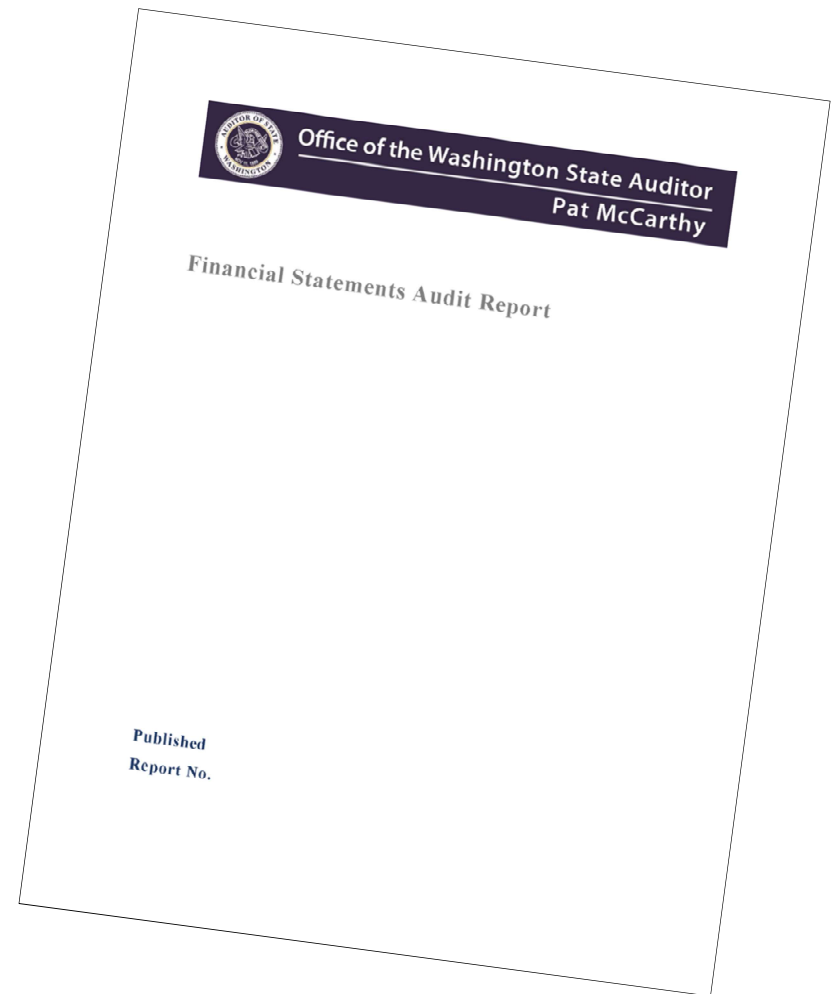
- ✓ Audit reports are published on our website.
- ✓ Sign up to be notified by email when audit reports are posted to our website:

<https://sao.wa.gov/about-sao/sign-up-for-news-alerts/>

## 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.





- We thank Port officials and staff for timely communications throughout the audit process.
- In particular, we would like to thank Debbi Browning, Rudy Caluza, Glenn Fernandes and Melanie O’Cain for keeping the audit running smoothly, following-up on our requests, and meeting each week to discuss our preliminary results.

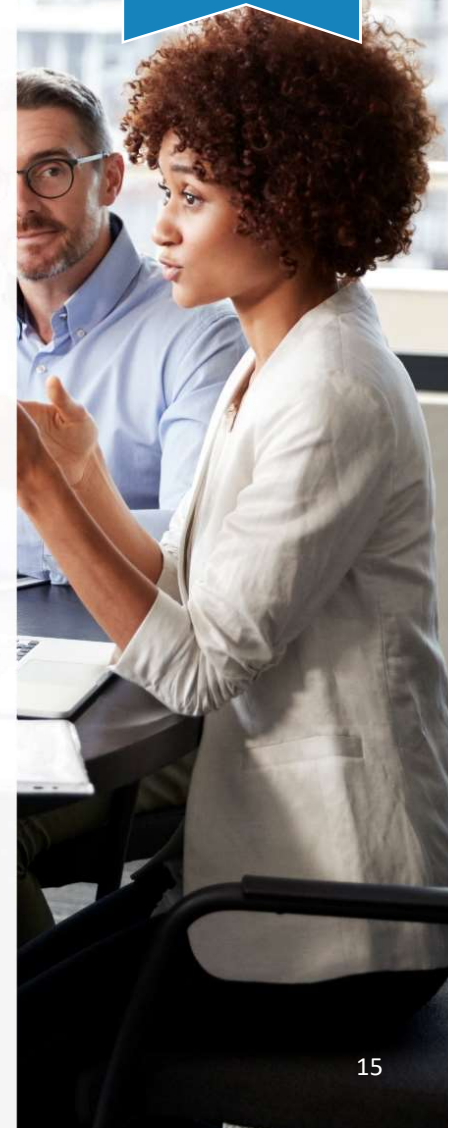
# Working Together to Improve Government

## Local Government Support Team

- BARS & Annual Online Filing
- Accounting and Reporting Training
- Client portal, including helpdesk

## The Center for Government Innovation

- Process improvement facilitations
- Resources, tools and best practices
- Financial Intelligence Tool (FIT)
- [Center@sao.wa.gov](mailto:Center@sao.wa.gov)





# Questions?



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