

Financial Stewardship

Accountability

Transparency

# Port of Seattle Audit Committee

## Internal Audit Update

Glenn Fernandes - Director, Internal Audit

April 6, 2023

P69 Commission Chambers

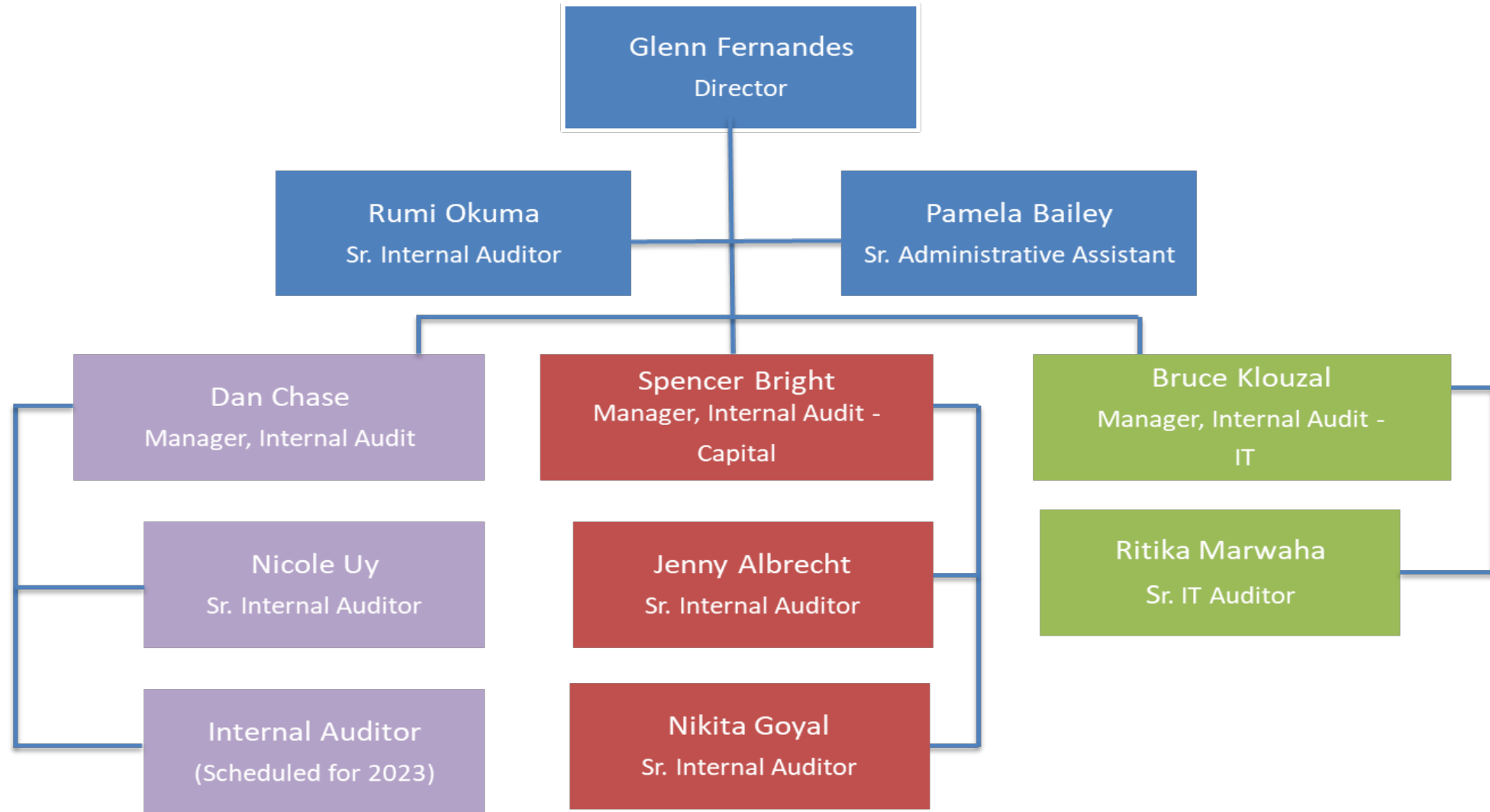
9:00 AM – 11:00 AM

Operational Excellence

Governance

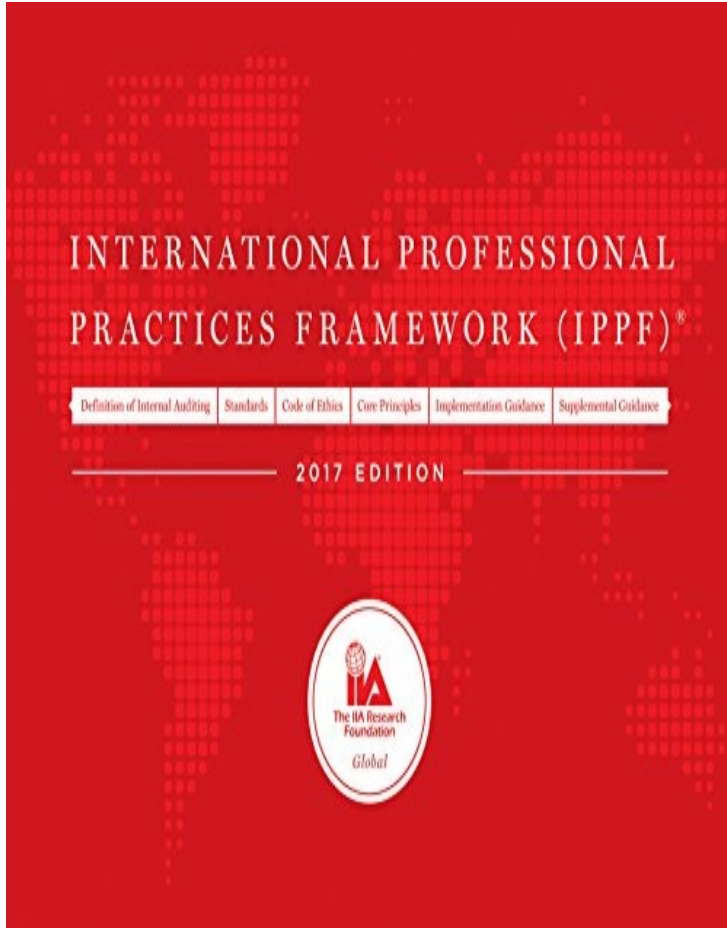


# Internal Audit Organization Structure

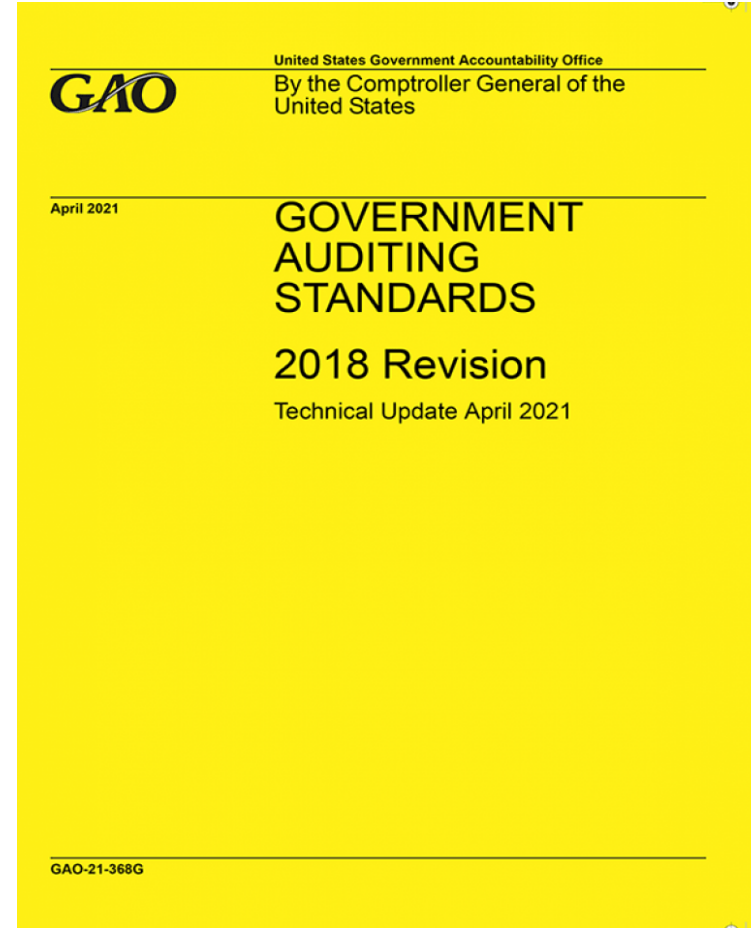


# Auditing Standards

New updates to Standards are forthcoming. We'll update our Operational Policies and Procedures Handbook, accordingly.



A comprehensive update/overhaul of the IIA IPPF Standards is underway to modernize and transform them; to ensure their relevance and responsiveness to today's challenges. Release of new Standards, now named, "Global Internal Audit Standards" is expected in late 2023; officially effective in late 2024.



An update of Chapter 5 – Quality and Peer Review is underway to enhance how audit organizations manage audit quality.

# Internal Audit Director's Annual Communication

Annual communication is required by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (IIA Standards) on:

- Organizational Independence
- Internal Audit Charter
- Quality Assurance and Improvement Program
- Open Issue Follow-up and Monitoring Process

# Independence Requirement

- IIA Standard 1110 requires annual confirmation of organizational independence.
- Internal Audit Department continues to maintain organizational independence by reporting functionally to the Audit Committee and administratively to the Executive Director.

# Internal Audit Charter

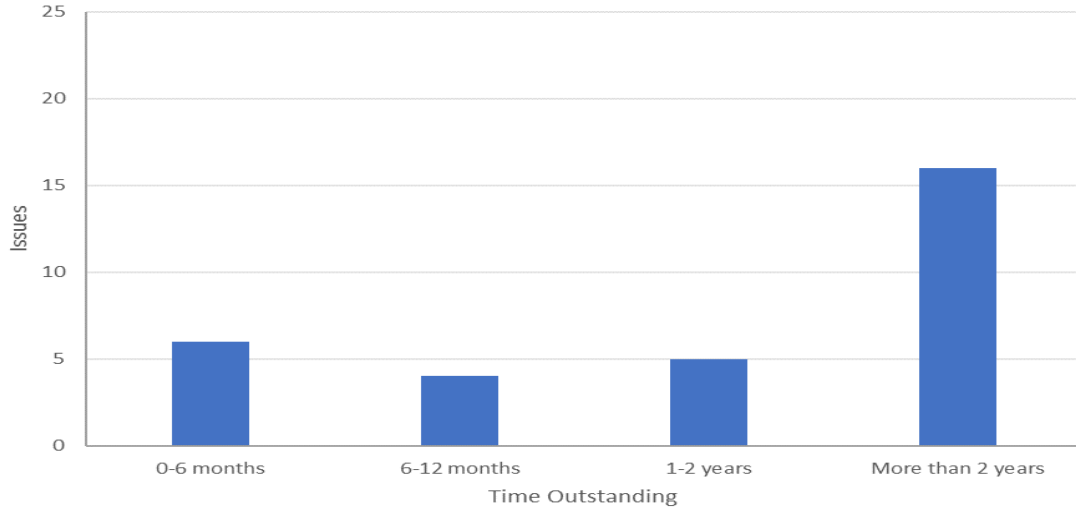
- The Charter was most recently updated in October 2020.
- The Charter defines Internal Audit Department's:
  - Authority and Accountability
  - Mission and Scope
  - Responsibility
  - Independence and Objectivity
  - Commitment to Quality

# Quality Assurance Requirement

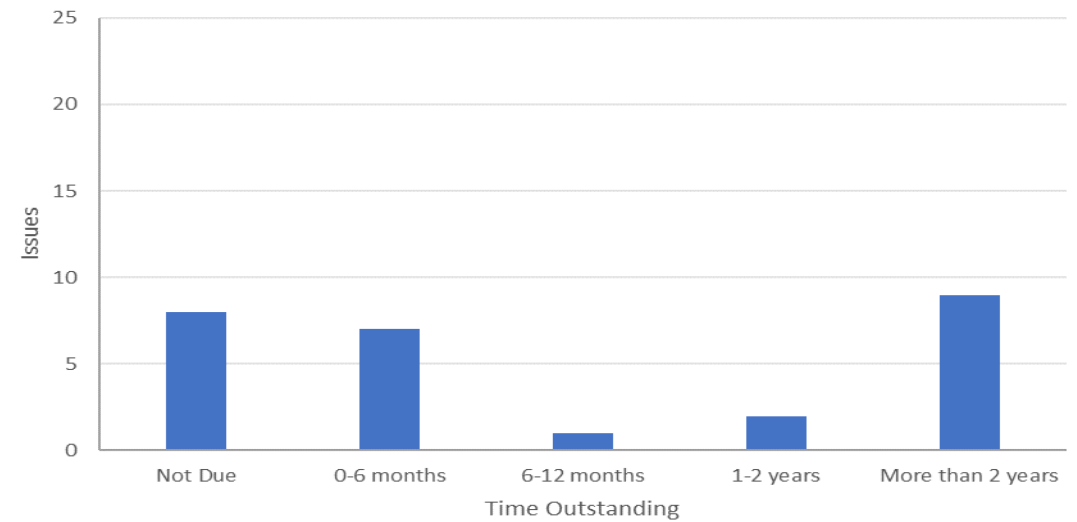
- Generally Accepted Government Auditing Standards (GAGAS)/ Government Accountability Office (GAO) require an external peer review every three years.
- Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, require both an internal and external quality assurance and improvement program. External assessments need to occur at least every five years.
- An external peer review was most recently conducted by the Association of Local Government Auditors (ALGA) in August of 2022.
- Internal Audit's periodic, quality self-assessment was last performed in August 2021 and will be performed again in the third quarter of this year.

# Open Issue Status – Aging Report as of March 23, 2023

31 Issues Outstanding (from Report Date)



27 Issues Outstanding (from Target Date)<sup>1,2</sup>



1. Eleven issues outstanding for over one year from the Target Date consist of:

- **Concourse Concessions LLC (1) - Port RE-2 Policy and Surety Amount Review**
- **Architecture & Engineering (3) - Fair and Reasonable Rate Determination; Management Review Over Max Rates; and Contract Rate Accuracy**
- **Information Technology Audits (7) (Security Sensitive - Exempt from Public Disclosure per RCW 42.56.420 – Issues Not Discussed in Public Session.)**  
 These are: Security of Personal Identifiable Information (1), Closed Network System Security (1), HIPAA Security (1), Network Password Management (2), and Secure Configuration for Hardware & Software on Mobile Devices, Laptops, Workstations and Servers (2).

2. Four Information Technology issues do not have Target Dates and are not included in this chart. These issues are in the process of being addressed, however, they are more than two years past the Report Date: Disaster Recovery Capability (1), and Aviation Maintenance and Facilities & Infrastructure Data Centers (3).

See **Appendix A** for a detailed listing of outstanding issues aging as of March 23, 2023.



# Internal Audit Update – Outreach Project

## Goals, Scope, and Stakeholders

- To promote the awareness and understanding of the Port’s Internal Audit process, and the significance of internal controls and risk mitigations internally and externally through outreach, education, and socialization.
- To help small entities that the Port does business with and that have limited resources to educate and train their staff on internal controls.

## Deliverables and Timeline

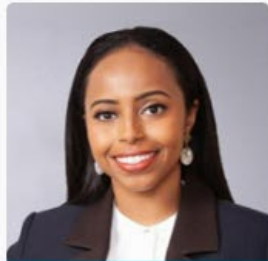
No.	Deliverables	Target Completion Date	✓ Completed
0	Project Plan Creation	September 2022	✓ September 2022
1	<b>IA Website Upgrade:</b>	<b>December 2022</b>	<b>✓ December 2022</b>
1A	<b>New Resources Section</b>	<b>December 2022</b>	<b>✓ December 2022</b>
1A-1	Links to Standards, Professional Organizations	December 2022	✓ December 2022
1A-2	Links to Cybersecurity Resources	December 2022	✓ December 2022
1A-3	External Peer Review Reports	December 2022	✓ December 2022
1B	<b>Audit Process Illustrations</b>	<b>First Quarter 2023</b>	<b>✓ January 2023</b>
2	<b>Internal Controls Training:</b>	<b>Second Quarter 2023</b>	<b>In Progress</b>
2A	Training Design - Content, Delivery Methods & Target Audience	First Quarter 2023	✓ February 2023
2B	Training Material Development	Second Quarter 2023	Planning
2C	Training Scheduling and Logistics	Second Quarter 2023	Planning

## Internal Audit

### Port Audit Committee

On June 13, 2006, the Port Commission formally established the Audit Committee. The Audit Committee represents the commission and provides review and oversight authority on matters relating to the Port’s internal control environment. The Audit Committee consists of at least two members of the Port of Seattle Commission and one public member approved by the commission. Commission members of the Audit Committee, as well as the committee chair, will be selected by the commission president at the beginning of each calendar year.

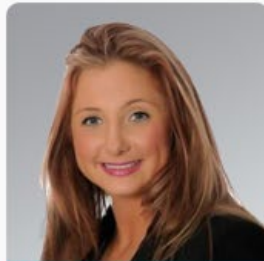
### 2023 Audit Committee Members



**Commissioner Hamdi Mohamed**  
Chair, Audit Committee



**Commissioner Sam Cho**  
Member, Audit Committee



**Sarah Holmstrom**  
Public Member,  
Audit Committee

The Audit Committee meets four times per year, as noted on the Commission Meetings page. At these meetings, internal audit results are presented and discussed. Also discussed are the results of external audits performed by outside agencies and firms. This public forum provides for increased transparency, accountability, stronger internal controls\*, and reduced business risk.

- 2023 Approved Audit Plan
- External Peer Review
- Audit Processes
- Audit Resources
- Cybersecurity Resources
- Internal Audit Reports  
View reports prepared by Internal Audit
- Vision and Mission Statement
- Internal Audit Charter  
Internal Audit Charter
- Audit Committee Charter



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## External Peer Review



### Requirements and Objective

Peer reviews are required every three years by [Government Auditing Standards](#) (section 5.60), promulgated by the U.S. Government Accountability Office (GAO), which establishes professional standards for conducting audits in government. Additionally, the [International Professional Practices Framework](#) (section 1312), issued by the Institute of Internal Auditors (IIA) requires an external assessment every five years. Both standards are used by the Port of Seattle's Internal Audit department. Peer reviews/external assessments must be conducted by qualified, external assessors from outside the organization.

### History

The Port of Seattle's Internal Audit Department uses the [Association of Local Government Auditors](#) (ALGA) to perform the required peer reviews. The GAO and the Institute of Internal Auditors reviewed ALGA's Peer Review Program and found that it satisfies the requirements under both sets of standards.

The Port of Seattle Internal Audit Department has been participating in the Peer Review process since 2012. The associated reports are listed below:

[2012 Red Book Report Accessible](#)

[2012 Red Book Standard PDF](#)

[2012 Yellow Book Report Accessible](#)

[2012 Yellow Book Report PDF](#)

[2015 Red Book Report Accessible](#)

[2015 Red Book Report PDF](#)

[2015 Yellow Book Report Accessible](#)

[2015 Yellow Book Report PDF](#)

[2018 Red and Yellow Book Report Accessible](#)

[2018 Red and Yellow Book Report PDF](#)

[2022 Red and Yellow Book Report Accessible](#)

[2022 Red and Yellow Book Report PDF](#)

## Audit Processes



[View Text Only Version](#)

### Performance Audits

Performance audits typically test whether the Port is making good use of resources to deliver its policy goals. They result in a written report communicating the audit results and are publicly presented to the Port's Audit Committee. For transparency, reports are also posted on the Port's website. We conduct our audits in accordance with both Generally Accepted Government Auditing Standards (GAGAS), and International Standards for the Professional Practice of Internal Auditing (IIA). [VIEW PDF](#)



### Contract Compliance

Contract compliance audits review contracts/lease agreements between the Port of Seattle and concessionaires, to determine compliance with key contract provisions. Contract compliance audits mainly focus on revenue, but could encompass other areas. They result in a written report communicating the audit results. We conduct our audits in accordance with both Generally Accepted Government Auditing Standards (GAGAS), and International Standards for the Professional Practice of Internal Auditing (IIA). [VIEW PDF](#)



## What to expect from a Performance Audit

### What is a performance audit?

Performance audits typically test whether the Port is making good use of resources to deliver its policy goals. They result in a written report communicating the audit results and are publicly presented to the Port's Audit Committee. For transparency, reports are also posted on the Port's website. We conduct our audits in accordance with both Generally Accepted Government Auditing Standards (GAGAS), and International Standards for the Professional Practice of Internal Auditing (IIA).

### What's in it for you? (Port Staff)

#### Audits can

- ⇒ Provide independent and objective feedback
- ⇒ Help solve/prevent an operational, cybersecurity or IT problem
- ⇒ Help optimize time and resources
- ⇒ Introduce new knowledge, perspective, tools and approaches
- ⇒ Manage business risk





## What to Expect from a Contract Compliance Audit



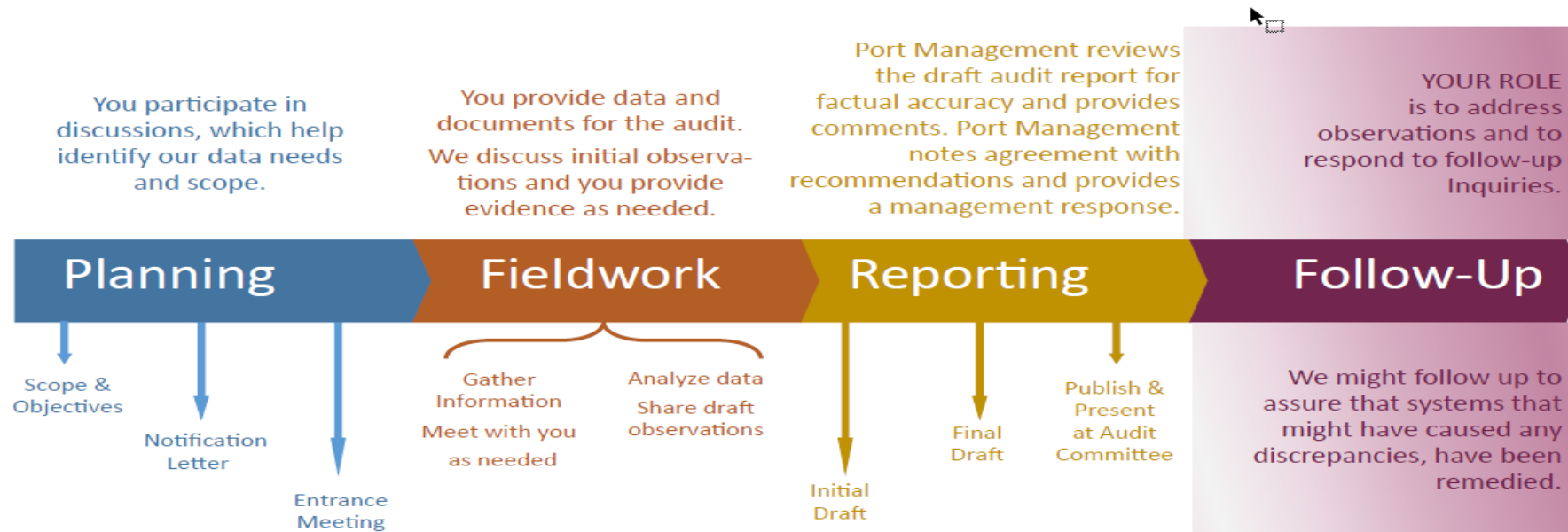
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### What's in it for you? (Concessionaires)

Audits can

- ⇒ Help assure you are complying with the contract requirements
- ⇒ Help assure you are paying the Port the correct revenue; we look for both underpayments and overpayments
- ⇒ Strengthen the relationship and trust



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## Audit Resources



### Auditing Standards:

- [International Standards for the Professional Practice of Internal Audit – Standards \(theiia.org\)](#)
- [US Government Accountability Office – Government Auditing Standards – Yellow Book | U.S. GAO](#)

### Professional Organizations:

- [Governmental Accounting Standards Board – GASB Home](#)
  - [Association of Local Government Auditors – ALGA Online](#)
  - [Office of the Washington State Auditor – SAO](#)
  - [Association of Certified Fraud Examiners – ACFE](#)
  - [Committee of Sponsoring Organizations of the Treadway Commission - COSO](#)
  - [Cybersecurity & Infrastructure Security Agency – CISA](#)
  - [Government Finance Officers Association – GFOA](#)
-

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## Cybersecurity Resources

f t in m l p

### Resources:

#### Center for Internet Security:

- Main Website
- CIS Controls

#### Cybersecurity & Infrastructure Security Agency (CISA)


- Main Website
- Cybersecurity Quick Links
- Cyber Essentials
- Cyber Hygiene Services
- Ransomware Guide

#### National Institute of Standards and Technology (NIST)

- Cybersecurity Framework
- FAQs

### Small Business Exploits:


#### Business Email Compromise



Source: INTERPOL

- FBI
- INTERPOL
- Bank of America

#### Ransomware



Source: INTERPOL

- FBI
- Center for Internet Security
- Cybersecurity & Infrastructure Security Agency
- National Cyber Security Center (UK)



- Researched and identified some best practices on internal controls training.
- Worked on preliminary training program design, including:
  - Components:
    - ✓ Risks – What does Risk mean? Where do they exist? What are Workplace Risks? How do we manage them?
    - ✓ Controls - What are Internal Controls? Why do we need them? Types of Controls? Who is responsible?
    - ✓ Q&A
  - Delivery Methods:
    - ✓ In-person Live Session
    - ✓ Slide Show and/or Video use
    - ✓ Handout/flyers
  - Target Audience:
    - ✓ Internal – Port managers and staff
    - ✓ External – Interested parties and individuals in the training, or certain target audience
- Actual training material development, and logistics & coordination with appropriate departments (e.g., HR, ICT, OEDI, etc.) will occur in the second quarter, 2023.

# Approved 2023 Audit Plan

## Limited Contract Compliance

- Louis Dreyfus Company Washington, LLC
- Seattle Air Ventures, JV (AIR002018, AIR002733)
- Seattle Air Ventures, JV (AIR002017, AIR002732)
- Doug Fox Travel/ATZ

## Performance

- Payroll Controls
- Airport Parking Garage
- Equity Policy Directive Compliance
- Social and Environmental Reporting
- Fishermen’s Terminal

### Capital

- T-5 Berth Modernization
- Supply Chain Disruption Management
- Post IAF Airline Realignment – GC/CM Construction<sup>1,2</sup>
- C Concourse Expansion GC/CM<sup>1</sup>
- Main Terminal Low Voltage System Upgrade GC/CM<sup>1</sup>
- T-117 Sites 23-25 Restoration Construction Project GC/CM<sup>1</sup>
- Concourse A Building Expansion for Lounges/DELTA TRA<sup>3</sup>

## Information Technology

- Email and Web Browser Protection (ICT and Aviation Maintenance)<sup>4</sup>
- Network Infrastructure Management (ICT)
- Network Infrastructure Management (Aviation Maintenance)
- Security Awareness and Skills Training

1. RCW 39.10.385 requires an independent audit, paid for by the public body, to confirm the proper accrual of costs, for General Contractor/Construction Manager (GC/CM) projects. This audit work will be performed by external, contract auditors through a multi-year, Indefinite Delivery, Indefinite Quantity (IDIQ) contract. Year-end status report will be provided at the December Audit Committee. Internal Audit will perform continuous cost reviews of these projects, review areas that are not looked at by the contract auditors, and partner with the contract auditors as needed. Internal Audit will issue an audit report on areas covered.
2. Project start may potentially be delayed to 2024, with an estimated completion date in 2027.
3. This is a contingency audit per the Approved 2023 Audit Plan.
4. Audit name has changed to note that it now includes both ICT and Aviation Maintenance.

**2023 AUDIT PLAN STATUS**

Audit Title	Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Payroll Controls	Performance	In Process	In Process	In Process	In Process	In Process							
Airport Parking Garage	Performance							Not Started	Not Started	Not Started	Not Started		
Equity Policy Directive Compliance	Performance								Not Started	Not Started	Not Started	Not Started	
Social and Environmental Reporting	Performance			In Process	In Process	In Process							
Fishermen's Terminal	Performance	Complete	Complete	Complete									
Supply Chain Disruption Management	Performance - Capital	Complete	Complete	Complete									
Terminal 5 Berth Modernization Project	Performance - Capital	Complete	Complete	Complete									
Post IAF Airline Realignment - GC/CM Construction <sup>1,2</sup>	Performance - Capital												
C Concourse Expansion GC/CM <sup>1</sup>	Performance - Capital				Not Started	Not Started	Not Started	Not Started	Not Started				
Main Terminal Low Voltage System Upgrade GC/CM <sup>1</sup>	Performance - Capital									Not Started	Not Started	Not Started	
T-117 Sites 23-25 Restoration Construction Project GC/CM <sup>1</sup>	Performance - Capital			In Process	In Process	In Process							
Concourse A Building Expansion for Lounges/DELTA TRA <sup>3</sup>	Performance - Capital						In Process	In Process	In Process				
Email and Web Browser Protection (ICT and Aviation Maintenance) <sup>4</sup>	IT				Not Started	Not Started	Not Started	Not Started					
Network Infrastructure Management (ICT)	IT						Not Started	Not Started	Not Started	Not Started			
Network Infrastructure Management (Aviation Maintenance)	IT									Not Started	Not Started	Not Started	
Security Awareness and Skills Training	IT	Complete	Complete	Complete									
Louis Dreyfus Company Washington, LLC	Contract Compliance			In Process	In Process	In Process							
Seattle Air Ventures, JV (AIR002018, AIR002733)	Contract Compliance									Not Started	Not Started	Not Started	
Seattle Air Ventures, JV (AIR002017, AIR002732)	Contract Compliance									Not Started	Not Started	Not Started	
Doug Fox Travel/ATZ	Contract Compliance			In Process	In Process	In Process							

<b>KEY</b>	Complete
	In Process
	Not Started

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## Audits Completed in First Quarter, 2023

- 1) Fishermen's Terminal (Item #8)
- 2) Terminal 5 Berth Modernization Project (Item #9)
- 3) Supply Chain Disruption Management (Item #10)
- 4) Security Awareness and Skills Training\* (Item #11)

\*Security Sensitive – Exempt from Public Disclosure per RCW 42.56.420 – Issues Not Discussed in Public Session

# Fishermen's Terminal

- Audit Period: January 2022 to December 2022.
- Included Fishermen's Terminal, Salmon Bay Marina, and Maritime Industrial Center.
- Purpose:
  - To evaluate billing processes.
  - To evaluate segregation of duties.
  - To assess internal controls, including whether standard operating procedures were drafted and followed.
- This Audit focused on the Marina Management System and did not focus on PeopleSoft Financials.

# Fishermen's Terminal

## Background:

- Fishermen's Terminal (FT)
  - Offers short-term and long-term freshwater moorage for both fishing and commercial vessels, as well as recreational boats.
  - Includes over 227,000 square feet of office, retail, restaurant, and warehouse space.
- Salmon Bay Marina (SaBM)
  - Located inside the Ballard Locks, next to the Ballard Bridge.
  - Offers covered and uncovered freshwater monthly moorage for recreational boats.
- Maritime Industrial Center (MIC)
  - Offers short-term and daily moorage for vessels up to 76 meter in length.
  - Over 1,500 linear feet of concrete dock space for loading and repair/maintenance work.

# Fishermen's Terminal

## Background (continued):

- Internal Audit performed a walkthrough of the entire facility and noted the aging infrastructure at SaBM, net sheds at FT, and the building that is slated to become MIC.
- Main concern was the roofing at SaBM, which was at risk of structural failure:
  - Engineer's assessment report identified "significant risks of structural instability" and "notable risk of fire" due to the lack of a sprinkler system.
  - Estimated cost to repair the structure was \$1.3M, cost to remove the roof was \$2.8M, and a total roof replacement cost was \$13.5M.

# Revenue Breakdown for 2020, 2021, and 2022:

<b>FT:</b>	<b><u>Revenue Source</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
	Berthage and Moorage	\$2,175,639	\$2,175,067	\$2,358,758
	Concession Services	657,232	614,430	663,961
	Space Rental	148,541	107,867	120,390
	Utility Sales Revenue	88,596	144,947	128,817
	Other Equipment Rental	34,571	38,253	33,551
	Maintenance Service Fees	11,028	16,003	12,516
	Other Services Revenue	63,781	67,014	67,544
		<u>\$3,179,388</u>	<u>\$3,163,581</u>	<u>\$3,385,537</u>

<b>SaBM:</b>	<b><u>Revenue Source</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
	Berthage and Moorage	\$831,065	\$871,038	\$934,283
	Concession Services	6,728	6,888	7,003
	Utility Sales Revenue	28,351	28,236	30,692
	Other Services Revenue	6,251	6,756	6,643
		<u>\$872,395</u>	<u>\$912,918</u>	<u>\$978,621</u>

<b>MIC:</b>	<b><u>Revenue Source</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
	Berthage and Moorage	\$188,424	\$118,516	\$100,983
	Space Rental	37,641	28,438	39,003
	Other Equipment Rental	2,391	911	1,606
	Other Services Revenue	9,964	10,323	10,164
		<u>\$238,420</u>	<u>\$158,188</u>	<u>\$151,756</u>



# A/R Aging Summary:

As of January 31, 2023:

	Days Past Due						Total
	Current	1-30	31-60	61-90	91-120	Over 120	
FT	\$337,638	\$90,586	\$58,315	\$29,632	\$25,181	\$254,688	\$796,040
SaBM	74,154	10,405	5,112	3,413	2,380	8,760	104,224
<b>Total</b>	<b>\$411,792</b>	<b>\$100,991</b>	<b>\$63,427</b>	<b>\$33,045</b>	<b>\$27,561</b>	<b>\$263,448</b>	<b>\$900,264</b>

## Billing and collection procedures at Fishermen's Terminal were informal and internal controls needed to be strengthened.

- Underbilling of auxiliary services: three out of five samples related to Land Storage were billed incorrectly using outdated rates from prior years; \$36,500 (estimate) underbilled for 2022.
- Rate charged for the Nordby Conference Room was outdated, resulting in approximately \$1,700 in lost revenue for 2022.
- The billing and collection process for the sizeable accounts receivable balance (roughly \$900K total outstanding) is only managed by one individual.

## Recommendations

- Billing and collection processes should be documented and formalized.
- Review and oversight over the processes should be required and well understood. This should include who performs the review, when it is conducted, and what is being reviewed.
- Permissions and user access within Marina Management System (MMS) should be reviewed and evaluated to assure that individuals cannot delete or make adjustments in the system without approval.

## Management Response

- Management will work to create a structure that will accomplish a separation of duties to ensure integrity in the revenue management program (Billing and Collection).
- Management will work to design a structure that will achieve the recommended “separation of duties” and will evaluate whether an additional position is needed.
- Processes and reporting systems will also be brought up to date, allowing for better tracking, reporting, and information retention.

**DUE DATE: 3/31/2024**

Management will discuss in detail. (Full response in Audit Report No. 2023-03)

# Terminal 5 Berth Modernization Project

- Terminal 5 has long been considered a premier container cargo facility on the West Coast, due to its naturally deep berth, wide footprint, and availability of an on-dock rail yard, allowing containers to be directly loaded from a ship onto rail lines.
- Ultra-large container ships are entering the market, with a container capacity of more than 10,000 twenty-foot equivalent units (TEU) and vessels of 18,000-TEU capacity.
- The new container ships require larger, heavier cranes with a longer reach, which in turn requires strengthening the dock and upgrading utilities.
- In response to these industry changes, the Northwest Seaport Alliance proposed improvements at Terminal 5 to accommodate larger vessels.

# Terminal 5 Berth Modernization Project

- The Northwest Seaport Alliance approved the Terminal 5 Improvement Program (Program) on February 26, 2019.
- Our audit focused on the Terminal 5 Berth Modernization Project, which is the largest portion of the Program.
- Contract awarded to Orion Construction in May 2019; amount: \$159,986,390.
- Construction began in July 2019.
- Total Program Costs:

Description	Amount
April 2019 Authorized Project Cost	\$ 340,000,000
July 2021 Authorized Increase	\$ 50,000,000
December 2021 Authorized Increase	\$ 2,500,000
August 2022 Authorized Increase	\$ 61,500,000
<b>Total Program Costs (as of December 31, 2022)</b>	<b>\$ 454,000,000</b>

# Terminal 5 Berth Modernization Project

- When the unit price work item bid quantity exceeds the actual quantity by more than 125%, the contract allows for renegotiation of the unit price.
- We obtained the actual cost of the eight-unit price work items in the sample and prepared a comparison of the contractor's actual cost and bid price.
- We provided this information to the Construction Management team.

**In most instances, the Port's internal controls over the review process for Pay Applications worked well to assure billings pertaining to unit price work items were accurate and supported. However, our audit identified instances, in which Pay Applications were missing supporting documentation or billed incorrectly, resulting in a potential overbilling of \$124,771.**

- Focused audit testing on unit price work items that exceeded 125% of the bid quantity.
- Eight largest items tested, totaling \$15,353,134.
- Documentation was readily available for the audit; we observed receipts and hand-written notes with corrections.
- However, we found instances, in which supporting documentation could not be located or was billed incorrectly, totaling \$124,771 (0.9% of the tested sample).



# Recommendations

- If the contractor is unable to provide supporting documentation, Construction Management should seek and recover any amount due.

# Management Response

- The full amount of \$124,771 will be credited from the next Pay Estimate processed for this project unless the Contractor provides missing documentation.
- Outside of this audit, Construction Management is confident these discrepancies would have been identified and corrected during the independent verification process required when each Unit Price Bid Item is completed, in line with our standard operating procedures as part of the closeout of the project.

**DUE DATE: 6/30/2023**

Management will discuss in detail. (Full response in Audit Report No. 2023-02)

# Supply Chain Disruption Management

- The COVID-19 pandemic disrupted global supply chains due to government-imposed shutdowns, demand instability, labor shortages, and bottlenecks in shipping and transportation, affecting the construction industry's ability to access key materials and equipment.
- The objective of the audit was to:
  - Identify how the Port is addressing supply chain disruption management
  - Assess the adequacy of its risk response plan
  - Determine how the Port's measures align with other agencies and the construction industry
- We benchmarked other agencies and companies to identify best practices for mitigating supply chain risks. We also interviewed personnel from the Port to understand current processes in place.
- Based on the work performed, we concluded that the Port has established processes through close coordination between multiple departments including, the Central Procurement Office, the Project Management Group, and Construction Management. These processes addressed key risks from supply chain disruption. They also aligned with processes used by other agencies and the results of our research within the construction industry.

# Appendix

## A – Aging of Outstanding Issues as of March 23, 2023

# Appendix A – Aging of Outstanding Issues as of March 23, 2023

## Performance, Capital, Information Technology, and Limited Contract Compliance Audits

Audit Type	Audit	Description	Rating	Report Date	Target Date	Days Outstanding (from Report Date)	Days Outstanding (from Target Date)
IT	AVM/Facility & Infrastructure Data Centers	Physical access to facilities	High	12/4/2018	No date supplied	1570	N/A
IT	AVM/Facility & Infrastructure Data Centers	Protection against environmental factors	High	12/4/2018	No date supplied	1570	N/A
Performance	Architecture & Engineering	Determine fair and reasonable rates	High	12/9/2019	6/30/2020	1200	996
Performance	Architecture & Engineering	Management review over max rates	High	12/9/2019	6/30/2020	1200	996
Performance	Architecture & Engineering	Contract rate accuracy	High	12/9/2019	6/30/2020	1200	996
IT	Continuous Vulnerability Management	Security Sensitive	High	11/29/2021	12/31/2022	479	82
IT	Continuous Vulnerability Management	Security Sensitive	High	11/29/2021	12/31/2022	479	82
IT	Continuous Vulnerability Management	Security Sensitive	High	11/29/2021	12/31/2022	479	82
IT	Security Awareness and Skills Training	Security Sensitive	High	3/23/2023	6/1/2023	0	-70
IT	Disaster Recovery Capability	Security Sensitive	Medium	11/29/2017	No date supplied	1940	N/A
IT	AVM/Facility & Infrastructure Data Centers	Physical facilities management	Medium	12/4/2018	No date supplied	1570	N/A
IT	Security of Personal Identifiable Information	Security Sensitive	Medium	2/26/2019	3/31/2020	1486	1087
IT	HIPAA Security	Security Sensitive	Medium	9/4/2019	7/31/2020	1296	965
IT	Closed Network System Security	Security Sensitive	Medium	9/5/2019	6/30/2020	1295	996
IT	Inventory and Control of Hardware Assets	Security Sensitive	Medium	11/12/2019	6/30/2023	1227	-99
IT	Network Password Management	Security Sensitive	Medium	3/20/2020	12/31/2020	1098	812
IT	Network Password Management	Security Sensitive	Medium	3/20/2020	9/30/2020	1098	904
IT	Secure Configuration for Hardware and Software on Mobile Devices, Laptops, Workstations and Servers	Security Sensitive	Medium	8/21/2020	12/31/2021	944	447
IT	Secure Configuration for Hardware and Software on Mobile Devices, Laptops, Workstations and Servers	Security Sensitive	Medium	8/21/2020	12/31/2021	944	447
Contract Compliance	Concourse Concessions LLC	RE-2 policy review	Medium	9/10/2020	12/31/2020	924	812
IT	Continuous Vulnerability Management	Security Sensitive	Medium	11/29/2021	6/30/2022	479	266
IT	Account Management - ICT	Security Sensitive	Medium	3/15/2022	6/1/2023	373	-70
IT	Audit Log Management - Aviation Maintenance	Security Sensitive	Medium	6/2/2022	12/31/2023	294	-283
IT	Audit Log Management - Aviation Maintenance	Security Sensitive	Medium	6/2/2022	12/31/2022	294	82
IT	Audit Log Management - Aviation Maintenance	Security Sensitive	Medium	6/2/2022	12/31/2022	294	82
Contract Compliance	The Hertz Corporation	Investigate Under-collections	Medium	6/3/2022	12/31/2022	293	82
IT	T2 Airport Garage Parking System Replacement	Security Sensitive	Medium	11/11/2022	6/2/2023	132	-71
IT	Audit Log Management (ICT)	Security Sensitive	Medium	11/22/2022	1/31/2023	121	51
Performance	Fishermen's Terminal	Billing and Collections	Medium	3/20/2023	3/31/2024	3	-374
IT	Security Awareness and Skills Training	Security Sensitive	Medium	3/23/2023	6/1/2023	0	-70
IT	Security Awareness and Skills Training	Security Sensitive	Medium	3/23/2023	6/1/2023	0	-70