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Chair and President
Bill Bryant
Patricia Davis
Lloyd Hara
Gael Tarleton



Tay Yoshitani
Chief Executive Officer

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APPROVED MINUTES AUDIT COMMITTEE SPECIAL MEETING MAY 6, 2008

The Port of Seattle Commission Audit Committee met in a special meeting at 9:00 a.m., Tuesday, May 6, 2008 in the Conference Room 2DEast at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Hara and Tarleton were present, as well as citizen committee member Steve Miller. Also in attendance was Joyce Kirangi, Port Internal Audit Manager.

CALL TO ORDER

The committee special meeting was called to order at 9:05 a.m. by Commissioner Lloyd Hara.

- **Motion for approval of minutes for audit committee meetings of February 7, February 12 and March 5, 2008, including a recommendation that in the future, there be a rotating responsibility for review of the minutes prior to the public meeting – Tarleton**

Motion carried by the following vote:

In Favor (February 7 and February 12, 2008 minutes): Hara, Tarleton (2)

Abstained: Miller – was not yet a member of the committee

In Favor (March 5, 2008 minutes): Hara, Miller, Tarleton (3)

Results of 2007 Moss Adams Audit - Presentation by Laurie Tish, Moss Adams

Topics covered in the [presentation](#):

- Reports to be Issued
- Areas of Audit Effort
- Management Letter Comments
- New Authoritative Literature

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- Increased Audit Scope
- Small Works Contracts
- Consulting Agreements
- Major Construction Contracts Change Orders
- Management Information Systems
- Required Communications

Port staff members Rudy Caluza, Director, Accounting and Procurement and Lisa Lam, Financial Reporting Managing Manager provided an overview of measures the Port has taken up to and in response to the 2007 Moss Adams report.

Port staff members were available to answer questions from the committee regarding how their departments are responding to issues of concern within the audit.

Port CEO Yoshitani joined the meeting at 10:05 and was present from that time forward.

A five minute recess was called for and the committee meeting was reconvened at 10:22.

- **Audits Completed During September 2007 – May 6, 2008 – Presentation by Joyce Kirangi, Port Internal Audit Manager**

Topics addressed:

- Background
- Audit Coverage
- Lease and Concession Agreements Reviewed
- Typical Internal Concession Audit
- Common Issues on Agreements Reviewed
- Aviation Division Departmental Audits
- What Internal Audits Typically Look For
- Common Issues on Departments Reviewed
- SAO 2007 Performance Audit Recommendation No. 12

During Ms. Kirangi's [presentation](#), and following discussion of recent concerns within the Airport's ID Access Department, Wendy Reiter, Manager, Aviation Security, provided information on a new training program being implemented for that department.

Commissioner Tarleton requested that a report be given to the committee in 3 months on how well the proposed changes in the ID Access Department are being implemented.

Paul Grace, Senior Manager, Airport Operations informed the committee on processes in place to address concerns with parking issues at the Airport.

Commissioner Hara requested that a report be given to the committee in 3 months regarding the process explained by Mr. Grace.

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Following discussion of a contract noted within the audit report, in which there was a sole bid, committee member Miller requested that the selected contractor be contacted to see if they knew how they became placed on the roster to submit a bid.

- **Discussion of long-term mission and vision**

Item tabled due to lack of remaining meeting time.

- **Annual work plan, including review of annual calendar**

Panel member Miller provided a spreadsheet reflecting a [draft schedule](#) for upcoming meetings through the end of 2008, and the topics to be presented/discussed. The proposed schedule was discussed by the panel, and several changes were suggested.

Commissioner Tarleton suggested that standard protocols be established for the audit committee, as there will be ongoing audits in the future, and that there will be different Commissioners sitting on the committee in the future.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:47 a.m.

Gael Tarleton, Commissioner