

General Q&A

SAO Performance Audit

1. What was the purpose of the performance audit?

Initiative 900, passed by Washington voters in 2005, requires the Washington State Auditor's Office to conduct performance audits of state and local governments. The audit is intended to evaluate performance, promote accountability and credibility, and ensure efficiency and effectiveness in government services.

The performance audit recently conducted by the SAO concerned the Port of Seattle's construction management program over the past three years, with particular focus given to the Third Runway Project at Seattle-Tacoma International Airport.

2. What primary recommendations resulted from the performance audit?

The Performance Auditor gave two overarching recommendations: 1) establish a senior-level Chief Procurement Officer position; and 2) reevaluate the Port's master policy resolution, which governs delegation of authority from the Commission to the CEO and throughout the organization.

The audit report lists several other recommendations that primarily concern contracting and construction management processes and procedures.

3. Will the Port implement these recommendations?

For the most part, yes. In response to the two overarching recommendations, CEO Tay Yoshitani has established review teams to recommend options for establishing a central procurement office and appropriate changes to the Port's master policy resolution.

As a result of a Port-sponsored performance audit conducted earlier in the year, many of the other recommendations are already being implemented. The Port is making improvements to cost and risk schedule management, estimating practices, and project controls. More detailed information is available in the Port's formal response to the Washington State Auditor's Office.

4. Did the auditor find instances of fraud?

The performance audit found no evidence of fraud. Nonetheless, the Port takes the risk of fraud very seriously and will undertake a comprehensive fraud assessment using its internal audit and Financial Controls Analysis teams.

The Port has zero tolerance for fraud; if found, the Port will investigate thoroughly and will notify law enforcement where appropriate. The Port will implement a fraud hotline as recommended by the audit report.

5. Does the Port disagree with any of the audit conclusions?

Yes. The Port disagrees with some of the conclusions of the Performance Auditor and notes those areas in its formal response. Regardless of that disagreement, the Port will carefully review and consider all of the recommendations included in the audit and will implement policies that lead to more effective service to the citizens of King County.