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Chair and President
Bill Bryant
Patricia Davis
Lloyd Hara
Gael Tarleton



Tay Yoshitani
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**APPROVED MINUTES
AUDIT COMMITTEE SPECIAL MEETING JUNE 3, 2008**

The Port of Seattle Commission Audit Committee met in a special meeting at 9:00 a.m., Tuesday, June 3, 2008 in Conference Room 3CC01, 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 9:03 a.m. by Commissioner Lloyd Hara.

Commissioner Hara noted for the record that regarding meeting minutes, Port legal counsel had determined that Mr. Miller could offer an advisory opinion only, rather than an actual vote.

Motion for approval of minutes of the May 6, 2008 committee meeting – Tarleton

Motion carried by the following vote:

In Favor: Hara, Tarleton (2)

Mr. Miller advised that the proposed minutes were acceptable to him.

Internal Audit Briefing

Presenter: Joyce Kirangi, Internal Audit Manager

Items discussed during the presentation included:

1. Follow-up work performed on performance audit recommendation #12, regarding a specific contractor being included on the small works roster to submit a bid.

Ms. Kirangi suggested since there was no documentation found during this follow-up work, that the file be closed.

Motion to support the closing of the file on audit recommendation #12, and include the decision in the report back to the State Auditor's Office (SAO) – Tarleton

Motion carried by the following vote:

In Favor: Hara, Tarleton (2)

Mr. Miller noted that he agreed the proposed action was acceptable.

2. Status update on the SAO Performance Audit recommendations for which Internal Audit is accountable

Ms. Kirangi noted that after earlier approval to outsource additional staff to assist in follow-up work needing to be done by the Internal Audit Department, two people had been hired, and that final work should be accomplished between early July and the end of August.

In response to Mr. Miller's question regarding how final results would be reported, Ms. Kirangi stated that she would return with a formal presentation to the committee.

3. In-depth analysis of business arrangement/agreement with Columbia Hospitality, Inc. (CHI) and Odyssey involving the Port's Bell Harbor International Conference Center (BHICC)

Responding to Commissioner Tarleton's question of whether or not the Port has any other agreements where it was agreed to fund operating deficits, CEO Yoshitani responded that he believes there are no others.

Mr. Yoshitani also stated that, although it happened prior to his employment with the Port, he understood that CHI had provided assistance in the past when Odyssey was having difficulties.

Presentation on Comprehensive Annual Financial Review (CAFR)

Presenters: Dan Thomas, Chief Financial Officer and Lisa Lam, Financial Reporting Manager

Mr. Thomas referenced questions/comments submitted by Commissioner Tarleton after her review of the CAFR. A written copy of these questions and the responses from staff, is by reference, made a part of these minutes, is marked Exhibit '[A](#),' and is on file in Port offices.

Following the presentation, the meeting was recessed for 5 minutes and reconvened at 10:27 a.m.

Discussion of Long-term Vision/Mission

A [document](#) was provided by Mr. Miller to be used as a tool to begin discussions about the Audit Committee's long-term goals and objectives, and that .the document comes from the perspective of 'looking forward.'

Mr. Miller suggested that the committee goals and objectives fit in with the broader changes being discussed in the Port's 'Century Agenda' plan.

Discussion of Communication Protocols

Commissioner Tarleton proposed that Ms. Kirangi come back to the Committee at the July or August meeting for a discussion of the proposed function of the internal audit department and proposed ideas of future communications regarding audits.

Mr. Miller commented that it would be important to be able to meet with auditors in advance of an audit regarding the scope of the audit.

Commissioner Hara suggested that the Audit Committee establish protocols for communicating with the State Auditor's Office as well as Moss Adams.

Commissioner Hara suggested that staff send out an updated annual calendar to the Committee.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:06 a.m.

Commissioner Gael Tarleton