

Item No.: 4A

Date of Meeting: April 19, 2019



**THE NORTHWEST
SEAPORT ALLIANCE**
Gateway to Solutions

Audit Committee Overview

Background – Audits

Required Audits

1. Annual financial audit
 - Charter section Article 5.5 requires audited annual financial statements
2. Accountability and compliance audit (SAO)
3. Single (Federal Grant) audit

Other Audits

- At discretion of AC – compliance, operational or performance audits



Background – Auditors

Type of Audit	NWSA	POS	POT
Annual Financial Audit	RSM	Moss	RSM
Single (Grant) Audit	RSM	Moss	RSM
Accountability Audit	SAO	SAO	SAO



Background – Control Environment

The internal control environment for the NWSA is the control environments of the homeports.

- Homeports responsible for accounting functions during transition.
- NH transactions are processed by POS in POS systems, adhering to POS' internal control processes and procedures.
- SH transactions are processed by POT and captured in a separate Company within the Port of Tacoma's financial system.



Audit Committee

Purpose and Authority:

The NWSA Audit Committee was created by the Managing Members to represent the Managing Members and have review and oversight authority on matters relating to the NWSA auditing processes and procedures.

Composition:

The audit committee members of the homeports.

Meetings:

At least 2 times annually



Audit Committee Key Duties and Responsibilities:

- Annually review the organization's risks and recommend other audit activities to MM for approval.
- Integrity of the NWSA's financial statements and control environment.
- The qualifications and independence of the independent financial auditor, and, review of audits.
- Review results of audits (financial, grant and accountability, other) audits (SAO).
- Review the independent financial auditor's judgements about the quality of NWSA's application of industry prescribed accounting and reporting standards and effectiveness of internal controls.

