



Audit Committee Overview

April 23, 2020

AGENDA

Background – Audits and Auditors

Control Environment – Roles of the homeports - where transactional accounting work is performed

Overview of Audit Committee Responsibilities

Background – Audits

Required Audits

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

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 imbedded in 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 Charter

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.
- Review results of audits (financial, grant and accountability, other)
- Integrity of the NWSA's financial statements and control environment.
- The qualifications and independence of the independent financial auditor, and, review of audits.
- 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.

Audit Committee Other audits

- Provide recommendations to the managing Members regarding specific audit areas for consideration, including suggested audit objectives, scope and evaluation criteria.
- Oversee any work plans, including review of findings and recommendations for improvement associated with internal auditing activities.





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