



1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The meeting was called the meeting to order at 12:05 p.m. by Commissioner Bowman. Commissioner Calkins was briefly delayed and joined the meeting at 12:07 p.m. Commissioners Keller and Marzano were also present. Commissioner Bowman led the Pledge of Allegiance.

* The order of business was revised moving the approval of the minutes to follow public comment to allow Commissioner Calkins to log on and be present for the vote.

*3. PUBLIC COMMENT

Commissioner Bowman called for public comments. There were none.

Commissioner Calkins joined the meeting at 12:07 p.m.

2. APPROVAL OF THE MINUTES

It was moved and seconded (Bowman/Keller) to approve the minutes from the April 23, 2020 Audit Committee Meeting.

The motion passed unanimously.

4. EXTERNAL AUDITS

4A. 2020 Financial Audit Overview

Presenters: Lisa Wilson, CPA, Audit Partner and Kayla Lipston, Audit Supervisor of RSM

- The RSM auditors provided an overview of the 2020 financial audits. The scope of work, audit approach and processes were described. The areas assessed include billings, cash receipts and receivables; procurement, cash disbursements, and payables; lease transactions, expenditures of federal awards and more.
- The largest significant transaction for the NWSA this year was its adoption of GASB 87. Changed how leases are evaluated and recorded. Once a disclosure item, payments are now they are recorded on the balance sheet. Income statement activity will not look much different other than items will be classified slightly differently.
- Effective in 2022 is GASB 97. It is not anticipated to have a significant impact on the NWSA. GASB 97 has to do with analyzing Certain Component Unit Criteria. If the NWSA were to have an entity that they were involved with in a manner in which that activity might suggest that the activity should be consolidated into its financial statements, this informs how to go about doing so. It also provides additional guidance on how to evaluate Deferred Compensation Plans and how they are reported in the financial statements.

4B. 2019 State Auditor's Office (SAO) Accountability Audit

Presenters: Sandra Groshong, Audit Manager, Gus Ramos, Assistant Audit Manager, and Dave Smolko, Audit Lead SAO

- Ms. Groshong introduced the audit team.
- SAO considers the audit report and audit work performed by other auditors in accordance with professional standards.
- Potential areas for audit were described. Highest risk areas are contemplated in audit planning. When ready, the audit reports will be published on the SAO website and provided to the NWSA.
- Estimated audit costs are \$37,000 to be adjusted based on risk assessment.

4C. Draft Audit Committee Calendar for 2021

Presented by Darren Arakaki, Port Auditor.

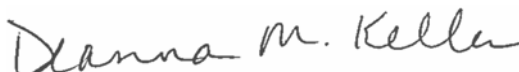
- The Audit Committee Charter requires two meetings per year. Staff tries to coordinate the meetings with the audit schedule. The first 2021 meeting will be in April with the results of the audits mentioned here today.
- Staff mentioned that this is the last year of the RSM contract. Staff will be seeking authorization to begin the RFP process in April. As previously done, staff will be asking to limit the competitive solicitation for the NWSA financial auditors to both homeport auditors. Selection would be in July.
- In November the topics would be the 2021 financial audit introduction, 2020 SAO accountability audit and the 2022 Audit Committee Calendar.
- The risk in on boarding new auditors during the pandemic was mentioned. Staff suggested this will need to be considered prior to April. Commissioner Calkins mentioned that the Port of Seattle opted to extend the existing contract with their auditors by one year during these uncertain times. Staff mentioned that the intent is to issue the RFP, but a short term contract extension is a consideration.
- Commissioner Bowman asked whether the NWSA would be interested in auditing whether the personal leave policies associated with COVID-19. The other audit committee meeting members agreed.
- Darren Arakaki thanked Port of Seattle staff for their collaboration. He also thanked Don Kelley, Port of Tacoma Manager of Financial Reporting and Deputy Auditor for his 21 years of the service to the Port of Tacoma. Mr. Kelley has accepted a position with the Port of Seattle.
- Commissioners expressed their thanks and confidence in the audit team.

ADJOURNMENT

There being no further business, the meeting at 12:36 p.m.



Stephanie Bowman, Co-Chair
NWSA Audit Committee



Deanna M. Keller, Co-Chair
NWSA Audit Committee

ATTEST:



Sam Cho
NWSA Audit Committee



Dick Marzano
NWSA Audit Committee



Juliet Campbell, Clerk
NWSA