



# MINUTES

## NWSA AUDIT COMMITTEE MEETING

### Thursday, April 22, 2021

#### 4:00 PM

This meeting will be held remotely pursuant to Senate Concurrent Resolution 8402 and Governor's Proclamation 20-28. To attend the meeting live by telephone call: 1-253-617-4257 and enter Conference ID: 315 643 641#. The meeting will also be streamed live on the Northwest Seaport Alliance's meeting website: <http://portal.veconnect.us/p/nwseaportalliance>

#### 1. CALL TO ORDER AND PLEDGE OF ALLIGIANCE

The meeting was called to order at 4:00pm by Commissioner Keller. Commissioners present: Bowman, Cho and Marzano. Commissioner Keller led the Pledge of Allegiance.

\*The order of business was revised moving to accommodate potential conflicts in scheduling. Financial Audit and Accountability Audit was switched to allow State Auditor's Office to go first.

#### 2. APPROVAL OF MINUTES

**It was moved and seconded** (Bowman/Cho) to approve the minutes from December 10, 2020 Audit Committee Meeting.

**The motion passed unanimously.**

#### 3. EXTERNAL AUDITS

##### **2019 State Auditor's Office (SAO) Accountability Audit Results**

Presenters: Sandra Groshong, Gus Ramos & Dave Smolko

- Mr. Ramos introduced the audit team.
- SAO results that matter: increased trust in government; perform independent, transparent examinations and improved efficiency and effectiveness of government.
- Accountability audit covers the period January 1, 2019 through December 31, 2019.
- The report gives you overall results and conclusions for the areas examined. In those selected areas, Seaport Alliance operations complied, in all material respects, with applicable state laws, regulations and its own policies, and provided adequate controls over the safeguarding of public resources.
- Audit reports are published on the SAO website.
- 2020 audit will begin in October 2021.

##### **2020 Financial Audit Results – RSM**

Presenters: Lisa Wilson & Kayla Lipston

- There were no material weaknesses or significant deficiencies identified during the course of RSM's audit work.
- Single audit reports
  - Audit and report on internal control and compliance over financial reporting in accordance with *Government Auditing Standards*
    - No findings of noncompliance noted
  - Audit report on compliance related to the major federal award programs, the schedule of expenditures of federal awards and related internal controls
    - No findings of noncompliance noted
- RSM explained their audit approach and provided a summary of their Audit and compliance work. The TIGER Grant was tested for applicable compliance requirements.
- RSM discussed significant transactions related to 2020:

- Allocation of expenses from each homeport
- Joint Venture accounting and related disclosures
- Single Audit over TIGER Grant
- Effects of COVID-19 on NWSA operations and related estimates
- Status of implementation status of GASB 87, which will be adopted effective 1/1/2021
- RSM described new GASB Pronouncements and how they may affect the Alliance.

#### **ACTION – FINANCIAL AUDIT CONTRACT EXTENSION**

Presenter: Darren Arakaki, Director, Accounting and Port Auditor

Request authorization to extend the financial audit services contract with RSM US LLP for one year to complete the 2021 financial and single audits, increasing the contract value by a not to exceed amount of \$77,000 (total contract value of \$322,500). The amendment will be brought to the Managing Members for authorization per Master Policy Resolution No. 2020-02, section 8.G.iiii.

- Mr. Arakaki explained the need to extend the contract due to the pandemic situation.
- Commissioner Cho asked why a 5-year extension wasn't looked at rather than just a 1-year extension?
  - Staff explained the Alliance aligned this contract with the home port contracts. The Alliance is staying in sync with the home ports.
- **It was moved and seconded** (Bowman/Marzano)
- **The motion passed unanimously**

#### **AUDIT COMMITTEE CALENDAR**

Presenter: Darren Arakaki, Director, Accounting and Port Auditor

- The audit committee calendar was reviewed.

#### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 4:51pm.