

## PORT OF TACOMA AUDIT COMMITTEE MINUTES April 22, 2022

The Port of Tacoma Audit Committee met on April 22, 2022. Commissioner Keller was present and Commissioner Marzano participated via video conferencing.

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

Chair Keller called the meeting to order at 10:00 am and then led the Pledge of Allegiance.

### 2. APPROVAL OF THE MINUTES:

**MOTION: Approve the Audit Committee Minutes of November 15, 2021.**

*Motion was made and seconded.*

**VOTE: MOTION CARRIED 2-0**

### 3. COMMITTEE ITEMS:

#### A. 2021 Financial Audit Results - RSM

1. No significant findings or material weaknesses were found.
2. The timeline of the audit and the work that was audited were reviewed.
3. GASB 87 was the most significant change with this audit. The new line items associated with this were reviewed. We were the only Port who adopted GASB 87 a year early.
4. Pension liability became an asset this year due to the economy. This ebbs and flows by the activity.
5. The cash flow was reviewed from 2020 to 2021. There was no activity in commercial paper in 2021.
6. No major items were discussed for 2021. No internal control deficiencies were found. No audit adjustments were identified in the 2021 audit. This was a good, clean audit.

#### B. 2020 State Auditor's Office Accountability Audit Results

1. This accountability audit covered January 2020 through December 2020. The Port was found to have adequate controls to safeguard public funds. This was a clean audit for 2020.
2. They examined open public meetings, IT controls, accounts payable and small and attractive assets. They use a risk-based auditing procedure. They also look at the external auditor's work, RSM. Nothing that caused concern was found. The RSM 2020 financial audit was accepted in lieu of an audit by the state.
3. The cost of the State Auditor's Office engagement is expected to be within the anticipated amount that was provided at the beginning of this 2020 accountability audit.
4. The Port's next accountability audit will begin in late September/early October 2022 for the year 2021.

#### C. Audit Committee Charter Revision

1. During the pandemic the Governor issued a proclamation allowing all public meetings to be held virtually. Currently, meetings can only be held virtually if two conditions are met: (1) a state of emergency is in effect (which it currently is) and (2) it is determined to be unsafe to meet publicly (this is not currently the case).
2. The Port of Tacoma Audit Committee Charter was adopted in 2015 and provides that all audit Committee meetings are open, public meetings, even though there is no OPMA requirement for this. This charter amendment would remove that sentence and allow the committee to meet virtually and still be in compliance with OPMA.
3. Committee meeting notices and materials would still be posted on our website, but on a separate page to make it clear to the public that these committee meetings are completely separate from public Commission meetings in which we have a quorum of commissioners and final decisions are made. The meetings themselves would be conducted virtually in a closed manner, but our videographers would still record the meeting for our public website, so the public may watch each committee meeting afterward. Committees are made up of only two commissioners, having no quorum, and making no final decisions. All final decisions are forwarded to the full commission for consideration.
4. All public bodies are reacting to the change in status after noting all of the efficiencies that were found with conducting meetings remotely during the height of the pandemic. The Audit Committee would like to propose to the full Port of Tacoma Commission that these committee meetings, that do not have a quorum of commissioners and make no final decisions, be allowed to meet virtually.

**MOTION:** Forward the possible Audit Committee Charter revision allowing the committee to meet virtually to the full Port of Tacoma Commission in public session for consideration.

*Motion was made and seconded.*

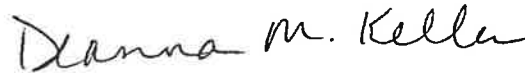
**VOTE:** MOTION CARRIED 2-0

**D. 2022 Audit Committee Calendar**

1. The key audits and anticipated items to be addressed in 2022 were reviewed. The anticipated additional 2022 meeting will occur on November 10, 2022.
2. Because there are no items currently for June, the June 23<sup>rd</sup> Audit Committee meeting will be canceled.
3. On November 10, 2022 we will present the introductions to the 2022 financial audit and the 2021 compliance audit.
4. No changes were made to the 2022 calendar.

**4. ADJOURNMENT**

With no further business, Commissioner Keller adjourned the meeting at 10:37 am.



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Deanna M. Keller, Chair  
Port of Tacoma Audit Committee

Attest:



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Dick Marzano, Vice Chair  
Port of Tacoma Audit Committee



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Judy Doremus, Clerk of the Port  
Port of Tacoma