

A RESOLUTION of the Port of Tacoma Commission amending the Audit Committee Charter.

WHEREAS, pursuant to Port Resolution No. 2010-07, adopted on September 2, 2010, the Port of Tacoma Commission established the Audit Committee and adopted the Audit Committee Charter; and

WHEREAS the Audit Committee represents the Commission in the review and oversight of matters relating to the Port's auditing process and procedures; and

WHEREAS, the Audit Committee Charter establishes the roles, responsibilities, composition and procedural rules governing the workings of the Audit Committee; and

WHEREAS, by this Resolution No. 2015-07, the Port of Tacoma Commission intends to amend the Audit Committee Charter in order to establish a more efficient meeting schedule for the Audit Committee; and

WHEREAS, the Audit Committee Charter, as amended, is set forth in Exhibit "A" to this resolution;


NOW THEREFORE BE IT RESOLVED by the Commission of the Port of Tacoma that the Audit Committee Charter, as amended, is hereby adopted and established in accordance with Exhibit "A" to this resolution.

ADOPTED by a majority of the members of the Port of Tacoma Commission at a regular meeting held on the 17th day of September 2015, a majority of the members being present and voting on this resolution, and signed by its President and attested by its Secretary under the official seal of said Commission in authentication of its passage this 17th day of September 2015.

A handwritten signature in blue ink, appearing to read 'Donald C. Johnson', written over a horizontal line.

Donald C. Johnson, President
Port of Tacoma Commission

ATTEST:

A handwritten signature in black ink, appearing to read 'Richard P. Marzano', written over a horizontal line.

Richard P. Marzano, Secretary
Port of Tacoma Commission

Exhibit A

Port of Tacoma Audit Committee Charter

Purpose and Authority

The Audit Committee is an extension of the Port of Tacoma Commission. Its primary function is to oversee financial audit matters relating to port auditing processes and procedures. See the Primary Committee Responsibilities and Duties section of the charter for a definition of the items included in the scope of financial audit matters. In fulfilling its oversight role, the Audit Committee will review the overall audit plan activities to ensure that audits, which are required to be conducted under the United States Government Accountability Office's Governmental Auditing Standards, are conducted in accordance with those standards.

The Audit Committee is empowered to seek any information it requires from Port of Tacoma staff regarding audit matters. Requests shall be coordinated through the Committee Chair.

If the Audit Committee determines the need to retain outside services to meet its oversight responsibilities, the Audit Committee will bring a request forward to the full commission for approval.

Committee Composition

The Audit Committee shall consist of two commission members.

The Commission President shall appoint or reappoint a Commissioner to serve as Audit Committee Chair and another Commissioner to serve as Vice Chair every January. The transition of committee members will occur in March. The Commission President shall consider multiyear appointments and transitions to ensure committee effectiveness.

In addition to the audit committee members, key members of management and the independent auditor support the Audit Committee. The following positions will be regular attendees: Chief Financial and Administrative Officer (CFAO), Port Auditor, and General Legal Counsel. In addition to management, the Committee will engage representation from the retained independent auditor and the Chief Executive Officer (CEO) as deemed necessary.

Meeting Timing and Duration

The Audit Committee will:

- Meet at least two times per calendar year. A meeting schedule will be developed at the beginning of each year to ensure visibility to meeting times and location.
- All committee meetings will be open public meetings, and use the study session format.

Primary Committee Responsibilities and Duties

The Audit Committee will provide the Commission with an annual audit program schedule at the beginning of each calendar year. The Port Auditor will be responsible for publishing the calendar and scheduling audit committee meetings in cooperation with the Audit Committee Chair.

The independent auditor's final report will be reviewed with the Audit Committee annually and in turn, the Audit Committee Chair will share the results of independent auditor's final report with the full Commission at a subsequent commission meeting.

The Port will retain and compensate the independent auditor(s) in accordance with oversight and direction from the Audit Committee, as well as applicable procurement rules and procedures. The Audit Committee will oversee the independent auditors in accordance with the accepted practice. The Audit Committee will oversee and direct all requests for bids for financial audit work as contracts expire or additional work is deemed necessary.

Financial audit activities including the following:

- Annual Financial Audits
- Washington State Accountability Audit and Regulatory Compliance Audits
- Washington State Performance Audits
- Port of Tacoma Internal Voluntary Performance/Operational Audits
- Internal Control Assessments
- Annual Port Compliance Report

The Audit Committee shall engage in discussions with the Commission and Port CEO to identify areas or issues that may benefit from an Internal Voluntary Performance/Operational Audit. All voluntary audit activities require authorization by the full Commission.

The Audit Committee will work with the Port Auditor, who reports jointly to the Commission, and the Port CFO. The Audit Committee will also engage with the State Auditor's Office on Port matters as needed.