Washington Public Ports Association
Small Ports Seminar
October 18, 2018

Deena Garza, Program Manager
Scott Hylton, Subject Matter Expert

Agenda

How can we help?

- Office overview

  - Program Manager and Subject Matter Expert

- Common challenges and audit focus

- Resources and guidance

- Coming attractions

Office Overview

Vision: Increased trust in government

- ❑ Onsite audit processes

- ❑ Development of resources related to emerging issues

- ❑ Reports published on our website

2,200 audits in 2017

Accountability audits

1,141 audits

50 Findings

Financial audits

471 audits

49 Findings

Federal audits

365 audits

160 Findings

113 audits — **Other**

61 audits — **Special engagements**

31 audits — **Whistleblower**
12 found reasonable evidence of improper action by state workers.

12 audits — **Fraud**
• 74 investigations
• 12 met the standard for a full report

6 audits — **Performance audits**
The Office is currently working on 16 performance audits.

Bellingham: **197**
Mill Creek: **147**
Bellevue: **108**
Seattle: **46**
Port Orchard: **193**
Kent: **81**
Tacoma: **125**
Olympia: **542**
Wenatchee **193**
Spokane: **89**
Pullman: **88**
Yakima: **116**
Tri-Cities **124**
Walla Walla
Vancouver: **151**

Port audits in 2017

Accountability audits
40 audits
3 Findings

Financial audits
20 audits
2 Findings

Federal audits
11 audits
4 Findings

Assessment
6 audits

CPA
3 audits

CAFR
2 audits

Bellingham: **7**
Everett: **2**
Bellevue: **0**
Seattle: **1**
Port Orchard: **12**
Kent: **0**
Tacoma: **2**
Olympia: **8**
Wenatchee: **8**
Spokane: **1**
Pullman: **5**
Yakima: **6**
Tri-Cities { **5** } Walla Walla
Vancouver: **11**

Program Manager and Subject Matter Expert roles

- Internal Guidance to get auditors up to speed

  - Planning guides

  - Know Before You Go! training series

  - Auditor Helpdesk

- Level of Reporting determinations

- Working with WPPA

- Point of contact for local Ports

- Client Helpdesk

Common Challenges and Audit Focus

Three main types of audits for ports

- Financial Statement – Standards based

- Federal Single Audits – Standards based

- Accountability for public resources – Risk based

What auditors might emphasize in coming audits

Additional Compensation/ Bonuses/ Incentives

Awarding Bids through Purchasing Cooperatives

Marina, Airport, Marine Terminal Revenues

Leased Property Revenues

Safeguarding Theft Sensitive Items

Cybersecurity

12 Findings

Cash Receipting

Financial Statement Preparation

Additional compensation

Federal Wage Rate Requirements

Federal Suspension & Debarment

2017-2018 audit exceptions

6 Management Letters

Cash Receipting	Annual Report Filing
Financial Statement Preparation	Theft Sensitive Assets

Be proactive

Dig the well before you are thirsty.
—Chinese Proverb

TRANSLATION

Ask the question before the auditor does

- Limitations on internal controls due to staffing

- Executives and Commissioners take on more roles

- Sporadic activity makes consistency difficult

How can you make the audit smoother?

- Write out your processes

    - Accounts payable

    - Payroll

    - Billing and receipting

    - Bank reconciliations

    - Capital assets

    - Year end statement preparation (checklist)

- Always sign and date documents, especially review

- Use the resources provided by our office

Resources and Guidance

How to find the Digital Audit Connection

Digital Audit Connection

Financial preparation checklists

- Best Practice - Using a checklist to guide year-end closing and the financial statement preparation process

- Appendix for GAAP checklist provides additional information about common financial statement errors

- Can also help local governments develop policies and procedures

Available on our website's Performance Center Resource Library

http://portal.sao.wa.gov/PerformanceCenter
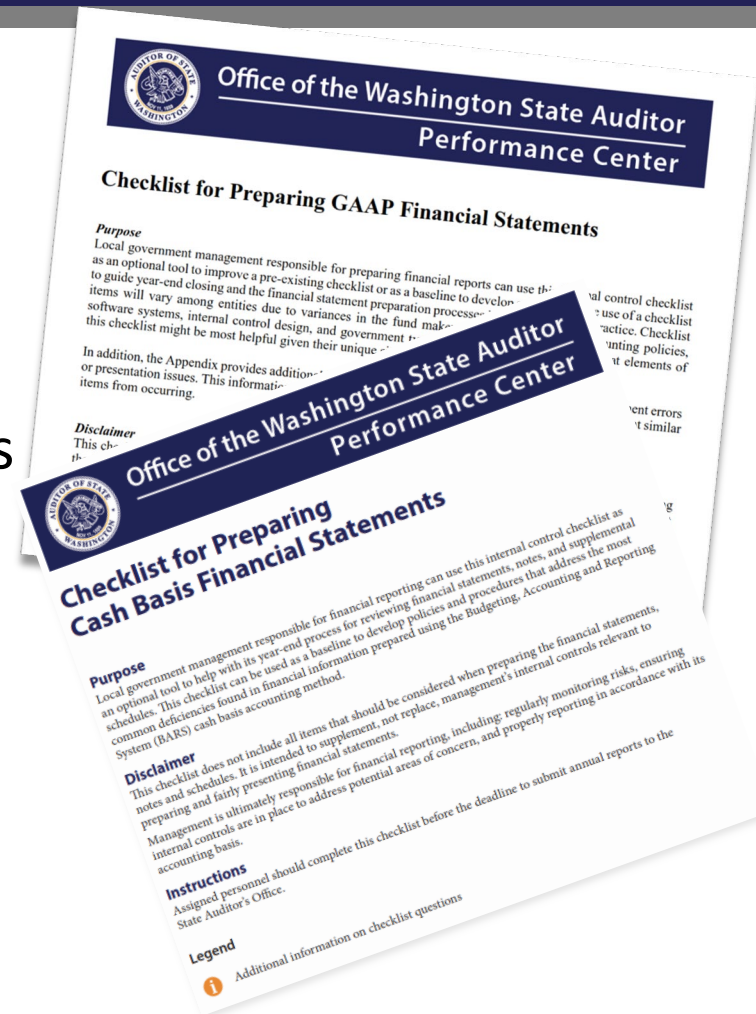
Other useful resources

- Updated capital assets guidance in the BARS Manual for governments reporting under GAAP.
  - ☐ Most topics updated and re-written
  - ☐ Internal control guidance expanded
- Checklist for managing capital assets
  - ☐ Provides information about reporting best practices. Can also help local governments develop policies and procedures
- Accountability best practices for Small and Attractive/Theft Sensitive
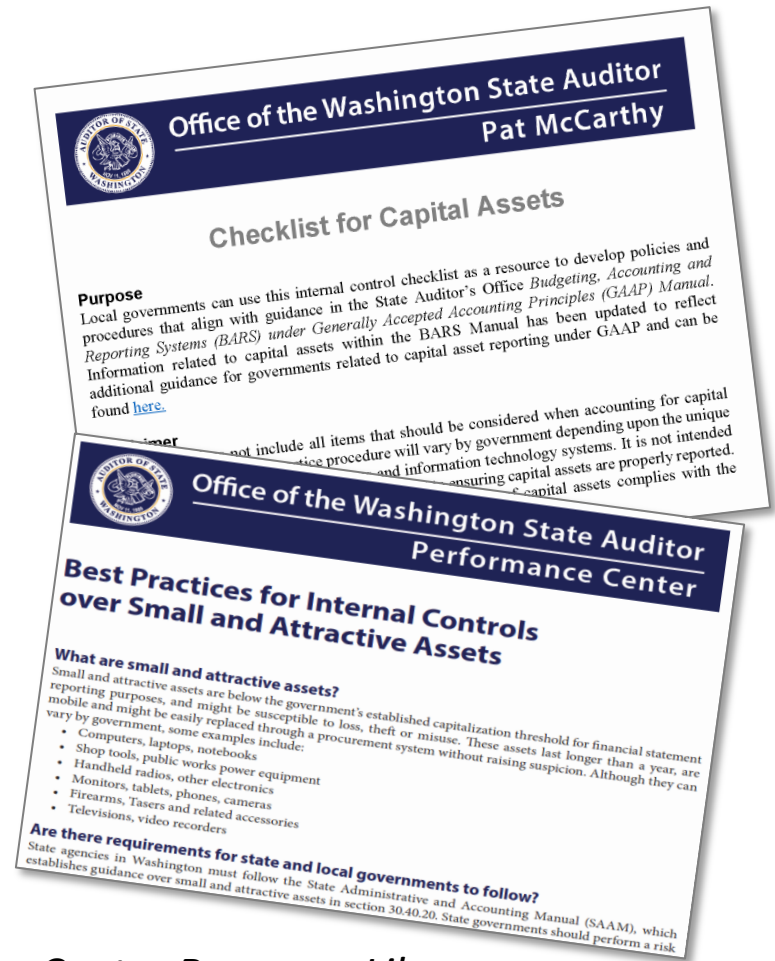
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Coming Attractions

Coming attractions

Introducing **Tracker**, an online audit status tool that shows you where audit issues stand at any given moment

- Be better prepared for the next audit – documents on prior audit issues are at your fingertips.

- Smooth transitions in your government – if staff leave or duties change, new employees have easy, one-stop access to prior audit issues and corrective action plans.

- Show the public and elected officials that an issue has been resolved – and get the credit for addressing it quickly.

Coming attractions

Introducing **the new BARS**, which will be easier to navigate than ever before

- Whether you're GAAP or cash, the Manual meant for you will be online in its entirety, fully searchable and downloadable. No more PDFs.

- Updated content will be clearly marked and dated.

- With the new MyBARS feature, a quick login will allow users to bookmark sections and pages, and make notes.

2018 BARS Roundtables: Save the date

Schedule of confirmed cities and dates

Date	Time	City	Location
October 9	9 a.m.-noon	Wenatchee	Confluence Technology Center (Teanaway River Room) – 285 Technology Center Way #102
October 10	9 a.m.-noon	Yakima	Yakima Health District – 1210 Ahtanum Ridge Drive
October 11	9 a.m.-noon	Vancouver	Camas Public Library – 625 N.E. 4th Ave.
October 15	9 a.m.-noon	Tacoma	Orcas Room – 949 Market St.
October 17	9 a.m.-noon	Pullman	City of Pullman Pioneer Center (Barley Room) – 240 S.E. Dexter St.
October 18	1-4 p.m.	Spokane	Shadle Library – 2111 W. Wellesley Ave.
October 22	9 a.m.-noon	Olympia	Auditor's Office, Sunset Building – 3200 Capitol Blvd. S.E.
October 30	9 a.m.-noon	Bellingham	Fire Station #21 – 4518 Cable St.
October 31	9 a.m.-noon	Marysville	Fire Station #62 (Shoultes) – 10701 Shoultes Road
November 1	9 a.m.-noon	Redmond	Redmond Community Center at Marymoor Village – 6505 176th Ave. N.E.
November 6	9 a.m.-noon	Port Orchard	Eagle's Nest Community Center – 1195 N.W. Fairgrounds Road
November 8	1-4 p.m.	Pasco	Mid-Columbia Library – 1320 W. Hopkins St.
November 14	1-4 p.m.	Renton	Renton Highlands Library – 2801 NE 10th St.

Questions

Auditor's Office contacts

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