

AUDIT COMMITTEE REPORT

Informational Report: Internal Audit Activities Fiscal Year 2019

MEETING DATE: 7/18/2019
SUBMITTED BY: Rebecca Haggerty, Chief Audit Officer
APPROVED BY: Rebecca Haggerty, Chief Audit Officer

The following is the Office of Audit Services report of Audits and Whistleblower Complaints activity for Fiscal Year 2019.

Audits

- Twenty-nine revenue audits, contracts or concessionaires, were started.
 - Letters have been issued for 15 revenue audits.
 - Reports were issued for 15 of the FY19 revenue audits, and for one revenue audit carried over from FY18.
 - An internal memo was issued for one revenue audit.
 - Fourteen projects are in progress.
 - Total audit findings were \$471,269.
- Four operational audits were started.
 - Employee expenses – Audit was completed. A report was issued.
 - Special review of airport contractor reports – Project was completed. An internal memo was issued.
 - Passenger Facility Charges – Project is in progress.
 - ABM Parking Reconciliation Analysis – Project was completed. An internal email was issued.

Whistleblower Complaints

The following summary information is presented for your review:

- Four whistleblower complaints were received in Fiscal Year 2019.
 - The investigation of one complaint received in September 2018 has been finalized and the report issued.
 - One complaint received in April 2019 was closed. The complainant was provided information to contact other agencies.
 - Two complaints, received in April 2019 and May 2019, are in progress.
- No complaints of retaliation against whistleblowers have been received in Fiscal Year 2019.

Note:

Port Administrative Policy AP18 ("Whistleblower Protection Policy") and AP19 ("Whistleblower Hotline Policy") address whistleblower protection and whistleblower complaints, respectively, and along with Government Code Section 53087.6(e)(2), they provide for the confidentiality of the whistleblower complainant, the sources of information, and the investigative audit or report except under very limited circumstances. One such circumstance is the provision of the substantiated audit report to the appropriate appointing authority for disciplinary purposes. (Govt. Code Section 53087.6(e)(3)). Another exception is the provision of a written report indicating the final results of the investigation to the Executive Director, Port Attorney and President of the Board of Port Commissioners. (AP 19, Section III(B)(6).) Both APs require the Chief Audit Officer to provide the Executive Director and the Board with a quarterly summary of all complaints received, including the status of each complaint. (AP 18, Section III(F); AP 19, Section III(C)).