

## AUDIT COMMITTEE REPORT

**Report:** FY 2019 Annual Assessment of Audit Committee.

**MEETING DATE:** 7/18/2019

**SUBMITTED BY:** Sara Lee, Chief Financial Officer

**APPROVED BY:** Sara Lee, Chief Financial Officer

The Port's Audit Committee Charter, as well as best practice guidelines established by the Government Finance Officers Association (GFOA), recommends that the Audit Committee periodically review the scope of the committee's responsibilities, as well as its structure, processes and membership. The Port's Audit Committee was established on June 5, 2014, and Port staff would like to receive the Audit Committee's feedback on whether or not any additional changes should be made for the upcoming fiscal year. The Audit Committee Charter is provided as Attachment A and a summary of matters discussed with the Audit Committee over the last five years is provided below. While the Audit Committee is scheduled to meet quarterly, it has met on average two times each fiscal year, due to limited agenda items.

### **Audit Committee Items**

#### Administrative

- Resolution ratifying Audit Committee members and setting regular meetings (Board Approval)
- Resolution approving the Audit Committee Charter (Board Approval)
- Resolution authorizing entering into an External Auditing Services agreement with Macias Gini & O'Connell LLP for the Fiscal Years ending June 30, 2016, 2017 and 2018, with an option to extend for one additional year (Board Approval)
- Annual Assessment of Audit Committee

#### Financial Reporting

- External Audit Workplan, including New Accounting Pronouncements
- External Auditor Assessment
- Comprehensive Annual Financial Report
- External Auditors Report to Board of Port Commissioners (Management Letter)
- Single Audit, Passenger Facility Charges and Customer Facility Charges Audit
- Deferred Compensation Plan Audit

- Other Regulatory Audits
- CalPERS Pension Actuarial Liability Report
- Retiree Medical Actuarial Liability Report
- Overview of Financial Reporting Process

#### Internal Controls

- Internal Audit Activities
- Internal Control Framework
- Whistle Blower Program
- Process Changes – Accounts Payable
- Administrative Policies and Procedures Report
- Bank Changes
- Internal Control Review – Airport Public Parking Operation
- Risk Management Overview