

PORT OF PORTLAND COMMISSION POLICY

AUDIT POLICY

POLICY NO. 6.1.08

Approved Commission Meeting of February 11, 2009

The Port of Portland, in accordance with ORS 297.425, will retain an independent auditor authorized by the Oregon Board of Accountancy pursuant to ORS 297.670, to conduct an annual audit and render a professional opinion on the Port's financial statements. The independent auditor will also present an evaluation of the Port's internal management controls with recommendations to improve controls.

The Port will solicit, through a request for proposal procedure, independent audit services at least every five years. The officers of the Commission will review the solicitation process and the recommendation. The selection will require Commission approval.

In addition, the Port will maintain an internal audit staff to provide the Commission and management with appraisals of internal controls, operational policies, and procedures. These appraisals will include analysis, recommendations, and pertinent comments concerning the activities reviewed.

The Internal Audit staff will develop an annual audit plan that will be reviewed by the officers of the Commission. In carrying out their duties and responsibilities, Internal Audit staff will have full, free, and unrestricted access to all Port activities, records, property, and personnel to the full extent permitted by law.

The Internal Audit staff will maintain a level of professional independence that will permit it to render impartial and unbiased judgments essential to the proper conduct of audits. To help assure independence, the Manager of Internal Audit will have direct, unrestricted, access to the officers of the Commission without Port management present.