



Record Keeping and Reporting Guides

Audit Reference Card

Why do we do audits?

As required by the voter approved employment standards initiative that voters approved as law at the beginning of 2014, the city is required to “adopt auditing procedures sufficient to monitor and ensure compliance by Hospitality Employers and Transportation Employers.”

What is an audit?

An audit is a review of your books and records to verify the requirements of this ordinance have been met. Audits may also be performed to determine if your firm has workers covered by Washington workers’ compensation laws (industrial insurance laws). Audits may include a visual inspection of a job site or work location.

What records will we look at?

We may review any and all records that will assist us in validating the worker hours reported to comply with SeaTac Municipal Code (SMC) 7.45.

All of the records we request are records required to be kept by federal and state laws. The following are examples of records we may request:

- Daily time cards or time records
- Individual earning records
- Check registers
- Bank statements and cancelled checks
- Cash payment records and petty cash accounts
- Purchase and sales records
- Accounts receivable and accounts payable records
- General ledgers
- Financial reports
- Other income and expense records

- Contracts and service agreements
- Tax returns and all schedules
- Ownership records
- Meeting records
- Articles of incorporation or formation
- Accounting work papers

Will the auditor need records other than those listed above?

Yes, our representative may request additional information, not limited to but including interviews with the firm’s owner, accountant, workers, suppliers, customers, and subcontractors to validate information.

How will you know if your firm is being audited?

Our representative will contact you to set up an appointment. At that time we will provide you with a list of requested records to be reviewed.

What should you expect when meeting with the auditor?

Our representative will introduce him/herself to you, give you a brief overview of the audit process, and explain the period and scope to be covered by the audit. During this time our representative will ask questions about your business. We refer to this as an entrance interview.

Will we be notified of what is found?

Yes, following the review of an onsite-audit, notification of results will be given to the firm that was audited.