



SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
**AUDIT COMMITTEE**

Item No.  
**6**

Meeting Date: **MAY 7, 2012**

**Subject:**

**Fiscal Year 2013 Proposed Audit Plan of the Office of the Chief Auditor**

**Recommendation:**

Staff recommends that the Audit Committee accept the proposed audit plan and forward it to the Board for approval.

**Background/Justification:**

As directed in the Charter of the Office of the Chief Auditor, a one-year audit plan shall be submitted by the Chief Auditor to the Audit Committee at the beginning of each fiscal year, for their review and approval.

The Fiscal Year 2013 Audit Plan (Attachment A) was prepared by the Chief Auditor based on the following elements:

- a comprehensive risk assessment methodology and analysis;
- input from the Board;
- input from Authority management; and,
- on the basis of staff resources available.

During its May 7, 2012, Audit Committee Meeting, the Fiscal Year 2012 Audit Plan will be presented to the Committee for their consideration.

**Fiscal Impact:**

The action will not result in any additional costs to the Authority.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- |   |  |  |  |   |
|---|--|--|--|---|
| <input type="checkbox"/> Community Strategy | <input type="checkbox"/> Customer Strategy | <input type="checkbox"/> Employee Strategy | <input checked="" type="checkbox"/> Financial Strategy | <input checked="" type="checkbox"/> Operations Strategy |
|---|--|--|--|---|

**Environmental Review:**

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106.

**Equal Opportunity Program:**

Not applicable.

**Prepared by:**

MARK A. BURCHYETT  
CHIEF AUDITOR

# **PROPOSED FISCAL YEAR 2013 AUDIT PLAN**

## **Introduction**

This document is for the purpose of communicating to the San Diego County Regional Airport Authority (Authority) Board the process used for constructing the Office of the Chief Auditor's (OCA) Annual Audit Plan (Audit Plan) for Fiscal Year 2013.

The Audit Plan was developed utilizing a risk assessment methodology that considered specific impact and probability risks. Impact risk evaluates the effect resulting from a breakdown in an operation's environment, processes, and/or controls. Probability risk evaluates the likelihood that an incident will occur.

Utilizing a structured risk assessment methodology enables the OCA to quantify the level of risk related to the Authority's processes and business activities. On the basis of the risk scoring, the OCA can develop an appropriate audit schedule that will ensure adequate review of the Authority's operations.

The risk assessment methodology utilized by the OCA to construct the Fiscal Year 2013 Audit Plan is a five-part process consisting of:

1. Developing the risk assessment model;
2. Understanding department activities;
3. Scoring the process and business activity risks;
4. Ranking the auditable areas; and,
5. Developing the audit plan.

## **Developing the Risk Assessment Model**

We have inventoried all Authority activities, segregating them into the following categories:

- Annual Ongoing Audits and Support
- Internal Business Process Audits
- Expense Contract Audits
- Revenue Contract Audits

These categories were segregated into auditable units, and estimated audit hours were then assigned to each auditable unit. Each audit unit's risk was scored using the impact and probability risk criteria and then ranked based on the auditable unit's risk score. The final risk score for each auditable unit are detailed in Attachments 3, 4, 5, and 6.

To determine the annual amount of staff time available to complete audits, we estimated the amount of time each audit staff member would have to devote to audit projects, taking into consideration administrative, vacation, training, sick, and holiday hours. We estimated that a total of 8,632 staff hours are available during Fiscal Year 2013 to conduct assigned audits.

The next step was to determine the net hours available for non-annual audits that relate to business processes, expense contracts, and revenue contracts. This amount was calculated by subtracting the hours required to conduct annual ongoing audits, ethics program activities, and construction audit activities, from the total available hours. Table 1 below details this calculation.

## **PROPOSED FISCAL YEAR 2013 AUDIT PLAN**

**TABLE 1  
Staff Hours Available to Conduct Non-Annual Audits**

Total Available Staff Hours Per Year	8,632
Annual Ongoing and Special Audits (See Attachment 1)	(1,842)
Ethics Program Activity	(400)
Construction Audit and Monitoring Activity	(1,340)
<b>Available Hours for Non-Annual Audits</b>	<b>5,050</b>

The final step was to develop the Fiscal Year 2013 audit plan based on the available resources and risk scores. For each of the audit categories (business processes, expense contracts and revenue contracts) we selected audit units with higher risk scores, taking into account the amount of resources that would be required of the internal audit staff.

The proposed Audit Plan for Fiscal Year 2013 is presented in Attachment 1. The expense contracts selected for review account for 26% of the total expenses over a 12-month period<sup>1</sup>, and the revenue contracts (excluding airline revenues) accounting for 57% of the total revenues over the same 12-month period.

Further explanation of each of the audit units included in the Audit Plan is provided in Attachment 2. Subsequent attachments summarize the risk score details:

- Attachment 3: Internal Business Process Audits – Descending Risk Scores
- Attachment 4: Expense Contract Audits – Descending Risk Scores
- Attachment 5: Car Rental (Revenue) Contract Audits – Descending Risk Scores
- Attachment 6: Other Lease (Revenue) Contract Audits – Descending Risk Scores

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<sup>1</sup> The 12-month period used to determine revenues and expenses was February 21, 2011, through February 20, 2012.

**San Diego County Regional Airport Authority  
Proposed FY 2013 Audit Plan**

<b>BUSINESS PROCESS AUDITS (Attachment 3)</b>			
1	Energy Usage Performance	300	
2	Organizational Performance Measures	300	
3	Business Continuity Management	200	
4	Budget Management and Analysis	250	
5	Business and Travel Expenses	300	
<b>TOTAL BUSINESS PROCESS AUDIT HOURS</b>		<b>1,350</b>	<b>15.6%</b>
<b>EXPENSE CONTRACT AUDITS (Attachment 4)</b>			
6	David Brush Consulting	150	
7	Advantage Performance Group LLC	150	
8	Nolte Associates Inc.	150	
9	S&L Specialty Contracting, Inc.	150	
10	Wier Construction Corporation	150	
11	Accurate Engineering ICS, Inc.	150	
12	Bruel & Kjeear EMS	150	
13	COLAB Studio LLC (Green Build Art)	150	
14	Ricondo and Associates	150	
15	AirProjects Inc.	150	
16	JRM Consultants & Investigations Company	150	
<b>TOTAL EXPENSE CONTRACT AUDIT HOURS</b>		<b>1,650</b>	<b>19.1%</b>
<b>REVENUE CONTRACT AUDITS (Attachments 5 and 6)</b>			
17	Avis Rent A Car Systems LLC	250	
18	Enterprise Rent A Car Company of Los Angeles	250	
19	Fox Rent A Car	250	
20	JCDcaux, Inc.	250	
21	Airlines & Others (Ogden Aviation)	250	
22	Gate Gourmet Inc	200	
23	LPI - Closeout	200	
24	Host International Inc. - Closeout	250	
25	GAT Airline Ground Support Inc.	150	
<b>TOTAL REVENUE AUDIT HOURS</b>		<b>2,050</b>	<b>23.7%</b>
<b>ANNUAL ONGOING AUDITS AND SUPPORT</b>			
26	Aircraft Rescue & Fire Fighting (ARFF) Billing	100	
27	Board Member Expenditures	50	
28	Consolidated Rental Car Facility (CONRAC) Fund	150	
29	Procurement Card Spending	150	
30	AECOM Expenditures	150	
31	Agreements with Expenditure Limits Not to Exceed \$100,000	100	
32	Emergency Medical Technician-Paramedic Services	80	
33	San Diego Unified Port District Billing	250	
<b>ANNUAL ONGOING AUDIT AND SUPPORT HOURS</b>		<b>1,030</b>	
34	Special Request Audits	812	
<b>TOTAL ANNUAL ONGOING AUDIT AND SUPPORT HOURS</b>		<b>1,842</b>	<b>21.3%</b>
35	<b>ETHICS PROGRAM ACTIVITY</b>	<b>400</b>	<b>4.6%</b>
36	<b>CONSTRUCTION AUDIT AND MONITORING ACTIVITY</b>	<b>1,340</b>	<b>15.5%</b>
<b>TOTAL HOURS</b>		<b>8,632</b>	<b>100.0%</b>
<b>AVAILABLE AUDIT HOURS FROM OFFICE STAFF</b>		<b>8,632</b>	
<b>DIFFERENCE</b>		<b>0</b>	

**Fiscal Year 2013 Audit Plan  
Audit Unit Definitions**

#	Audit Unit	Explanation
<b><i>Internal Business Process Audits</i></b>		
1	Energy Usage Performance	Analyze the Authority's energy usage performance, including the performance of reduction measures and related goals and procedures.
2	Organizational Performance Measures	Evaluate the organizational performance measures developed to ensure meeting organizational strategies, including reviewing formulas, verifying data sources, evaluating internal and external targets, and reporting systems.
3	Business Continuity Management	Analyze capital and maintenance project selection and planning policies and procedures, controls, key performance indicators, and financial management.
4	Budget Management and Analysis	Review controls, compliance, and performance related to business continuity planning.
5	Business and Travel Expenses	Review business and travel expenses for compliance with Authority policies.
<b><i>Expense Contract Audits</i></b>		
6	David Brush Consulting	Review contract expenditures related to providing executive level leadership, and make recommendations to the President/CEO regarding management of the TDP, and assist with the implementation of the scope, schedule, and budget requirements, with a maximum contract price of \$1,419,625 over a three year period.
7	Advantage Performance Group LLC	Review contract expenditures related to providing assistance with strategic business planning process, with a maximum contract amount of \$924,000.
8	Nolte Associates Inc.	Review contract expenditures related to providing civil engineering and surveying services, with a maximum contract amount of \$2,500,000 over a three year period.
9	S&L Specialty Contracting, Inc.	Review expenditures related to contracts for construction services related to the Quieter Home Program, with estimated maximum contract amounts of \$10,000,000.
10	Wier Construction Corporation	Review contract expenditures related to construction of a replacement 30" storm drain pipe, and associated storm drain manholes, connection of storm drain pipe to existing structures, a sewer lift station, gravity sewer pipe, and sewer force main on the Teledyne Ryan Site, with a maximum contract price of \$706,934.

**Fiscal Year 2013 Audit Plan  
Audit Unit Definitions**

#	Audit Unit	Explanation
11	Accurate Engineering ICS, Inc.	Review contract expenditures related to providing sound attenuation treatment to homes for the Quieter Home Program, with a maximum contract amount of \$2,283,959 over a three year period.
12	Bruel & Kjeear EMS	Review contract expenditures related to providing aircraft tracker and data acquisition systems services, with a maximum contract amount of \$126,208.
13	COLAB Studio LLC	Review contract expenditures related to providing USO Park and Gateway public art, with estimated maximum contract amounts of \$420,000.
14	Ricondo and Associates	Review contract expenditures related to providing technical support services in the development of airport land use compatibility plans, with estimated maximum contract amounts of \$9,409,999.
15	AirProjects Inc.	Review contract expenditures related to providing consultant services for the Airport's terminal concession planning and development, with a maximum contract amount of \$800,000.
16	JRM Consultants & Investigations Company	Review contract expenditures related to conducting employee background, access, surveillance, and other investigative services, with a maximum contract amount of \$650,000 over a three year period.
<b>Revenue Contract Audits</b>		
17	Avis Rent A Car Systems LLC	Review the accuracy of revenues received from a car rental company.
18	Enterprise Rent A Car Company of Los Angeles	Review the accuracy of revenues received from a car rental company.
19	Fox Rent A Car	Review the accuracy of revenues received from a car rental company.
20	JCDecaux, Inc.	Review the accuracy of revenues received from a car rental company.
21	Airlines & Others (Ogden Aviation)	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
22	Gate Gourmet Inc.	Review the accuracy of revenues received from providing in-flight catering at SDIA.
23	LPI - Closeout	Closeout review of the accuracy of revenues received from the current parking and transportation contract.
24	Host International Inc. - Closeout	Closeout review of the accuracy of revenues received from the master concessionaire providing retail and food services at SDIA.

**Fiscal Year 2013 Audit Plan  
Audit Unit Definitions**

#	Audit Unit	Explanation
25	GAT Airline Ground Support Inc.	Review the accuracy of revenues received from providing ground handling ramp services at SDIA.
<b><i>Annual Ongoing Audits &amp; Support</i></b>		
26	Aircraft Rescue & Fire Fighting (ARFF) Billing	Ensure that the Authority is reimbursing the City for actual costs incurred to provide ARFF services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
27	Board Member Expenditures	Review the appropriateness of Board Member expenditures and compliance of these expenditures with Authority policy.
28	Consolidated Rental Car Facility (CONRAC) Fund	Review CONRAC Fund for compliance with Authority policies and State regulations.
29	Procurement Card Spending	Review controls related to P-cards and appropriateness of expenditures.
30	AECOM Expenditures	Review contractor's expenditures related to the provision of management services for the Capital Improvement Program.
31	Agreements with Expenditure Limits Not to Exceed \$100,000	Review sample of expenditures of contracts that are less than \$100,000 per year.
32	Emergency Medical Technician-Paramedic Services	Ensure that the Authority only reimburses the City for the actual costs of providing the emergency medical technician-paramedic services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
33	San Diego Unified Port District Billing	Determine that payments made to the Port are reflective of the actual expenses incurred to provide those services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
34	Special Request Audits	Perform closeout audits (audits of vendors that terminate operations at SDIA) and audits requested by Board Members and/or management that were not included in the audit plan.
<b><i>Other Audit Activity</i></b>		
35	Ethics Program	Develop and amend ethics policies, provide training, and investigate reported incidents.
36	Construction Audit and Monitoring	Perform audits of construction activities related to the Capital Improvement Program and the Terminal Development Program.



**Fiscal Year 2013 Audit Plan  
Internal Business Process Audits – Descending Risk Scores**

<b>Business Process</b>	<b>Risk Score</b>	<b>Estimated Hours</b>
Energy Usage Performance	4.61	300
Organizational Performance Measures	4.61	300
Small Business Development	4.61	300
Budget Management and Analysis	4.56	250
Business and Travel Expenses	4.56	300
Business Continuity Management	4.56	200
Concessionaire Vending	4.56	300
Grant Revenue Procurement and Management	4.56	300
Airport Noise Management	4.50	300
Airport Security Management	4.50	300
Personnel Services Performance	4.50	300
Property Management	4.50	250
Restricted Fund Accountability	4.50	250
Revenue and Business Development	4.50	250
Transportation and Traffic Services	4.44	250
Treasury/Cash Performance and Management	4.44	300
Airline Route Sales and Management	4.39	250
Attorney General MOU on Greenhouse Gases Compliance	4.39	300
Enterprise Risk Management	4.39	300
Procurement Management	4.39	300
Capital and Maintenance Project Selection and Planning	4.33	350
Environmental Compliance	4.33	350
Information Technology Performance	4.33	300
Public Parking	4.33	300
Airport Land Use Management	4.28	250
Contract Management	4.28	300
Public Communications	4.22	300
Sustainability Management	4.22	300
Public Records Compliance	4.17	300
Vehicle Fleet Management	4.17	300
Airline Services Management	3.94	300
Special Event Management	3.72	300
Airport Lost and Found	3.39	250

**9,500**

**Fiscal Year 2013 Audit Plan  
Expense Contract Audits – Descending Risk Scores**

<b>Business Entity</b>	<b>Risk Score</b>	<b>Estimated Hours</b>
David Brush Consulting	4.5	150
Advantage Performance Group LLC	4.4	150
Atlas Development Corporation	4.4	150
Nolte Associates Inc.	4.4	150
S&L Specialty Contracting, Inc.	4.4	150
Wier Construction Corporation	4.4	150
Accurate Engineering ICS, Inc.	4.3	150
G & G Specialty Contractors, Inc.	4.3	150
Bruel & Kjeear EMS	4.2	150
COLAB Studio LLC (Green Build Art)	4.2	150
Ricondo and Associates	4.2	150
Ace Parking Management, Inc.	4.1	150
Airport Concessions Consultants, Inc.	4.1	150
AirProjects Inc.	4.1	150
JRM Consultants & Investigations Company	4.1	150
Waste Management of San Diego	4.1	150
Flatiron West, Inc.	4.0	150
Frasca & Associates Inc.	4.0	150
Greenhaus Inc.	4.0	150
Kimley-Horn and Associates Inc.	4.0	150
MW Construction	4.0	150
Neal Electric Inc.	4.0	150
Phoenix Marketing International	4.0	150
RGC Construction, Inc.	4.0	150
Sierra Pacific West, Inc.	4.0	150
Simon Wong Engineering, Inc.	4.0	150
Xtreme Floor Covering Specialists Inc.	4.0	150
All Star Productions Inc.	3.9	150
Are & R Plumbing Inc.	3.9	150
AT&T, CALNET 2 Contract	3.9	150
Atkins North America, Inc.	3.9	150
Bradford Airport Logistics	3.9	150
DFS Flooring	3.9	150
Eric Smith dba The Caring Painters	3.9	150
Leigh Fisher & Associates	3.9	150
Manatt, Phelps & Phillips LLP	3.9	150
Merriwether and Williams Insurance Services Inc.	3.9	150
Project Team Solutions, Inc.	3.9	150
Slayton Mechanical Contractors Inc.	3.9	150
Statewide Stripes Inc.	3.9	150
The Vasquez Company	3.9	150
Abhe & Svoboda, Inc.	3.8	150
Allsup Corporation	3.8	150
Aztec Landscaping	3.8	150
Bay City Electric Works Inc.	3.8	150
CH2M Hill	3.8	150
Dimension 5 Solutions Inc	3.8	150
Ensley Electric, Inc.	3.8	150
GTSI dba Government Technology Service Inc.	3.8	150

**Fiscal Year 2013 Audit Plan  
Expense Contract Audits – Descending Risk Scores**

<b>Business Entity</b>	<b>Risk Score</b>	<b>Estimated Hours</b>
Hazard Construction Company	3.8	150
HOK, Inc.	3.8	150
HSS, Inc.	3.8	150
Inland Fire Apparatus Repair and Maintenance, Inc.	3.8	150
Jones Payne Group	3.8	150
Kleinfelder West Inc.	3.8	150
Luce, Forward, Hamilton & Scripps LLP	3.8	150
Microsoft Licensing, GP	3.8	150
Morrison & Foerster LLP	3.8	150
Network Security Electronics, Inc.	3.8	150
Ninyo & Moore Geotechnical Consultants	3.8	150
Ocean Blue Environmental Services	3.8	150
Pacific Rim Mechanical	3.8	150
Quality Fencing Co., Inc.	3.8	150
SITA Information Networking Computing USA	3.8	150
SOLPAC Construction, Inc., dba Soltek Pacific Construction Company	3.8	150
Alston & Bird LLP	3.7	150
Ameri-Mex Plumbing Inc.	3.7	150
Aon Consulting and Insurance Services, Inc.	3.7	150
Epic Pest Control	3.7	150
Haley & Aldrich Inc.	3.7	150
Jacobsen/Daniels Associates, LLC	3.7	150
M.B. Oliver Inc. dba Agricultural Pest Control Services	3.7	150
Marsh USA Inc.	3.7	150
Paul Plevin Sullivan & Connaughton LLP	3.7	150
Seasonal Innovations Inc. dba Greenleaf Plant Solutions	3.7	150
Ted Sexton Consulting	3.7	150
William Nicholas Bodouva + Associates	3.7	150
Zoological Society of San Diego	3.7	150
A Good Roofer, Inc.	3.6	150
A.O. Reed & Co.	3.6	150
Bear Fence, Inc.	3.6	150
Creative Nerve	3.6	150
Dynamic Contracting Services, Inc.	3.6	150
First Southwest Asset Management	3.6	150
J.P. Witherow Roofing Company, Inc.	3.6	150
Jacobs Engineering Group, Inc.	3.6	150
KONE, Inc.	3.6	150
Kutak Rock LLP	3.6	150
Loren Smith Productions	3.6	150
Mags Harries & Lajos Heder Collaborative	3.6	150
Marsh Risk & Insurance Service	3.6	150
McBee Strategic Consulting	3.6	150
Merge Conceptual Design (Green Build Art)	3.6	150
Packet Telcom Solution, Inc.	3.6	150
Phillips Painting, Inc.	3.6	150
Planetbids, Inc.	3.6	150
Strong Tower Construction dba Koch Corporation	3.6	150
TranSystems Corporation	3.6	150

**Fiscal Year 2013 Audit Plan**  
**Expense Contract Audits – Descending Risk Scores**

<b>Business Entity</b>	<b>Risk Score</b>	<b>Estimated Hours</b>
WTS, Inc.	3.6	150
APEX Contracting & Restoration, Inc.	3.5	150
Bricke Construction Inc.	3.5	150
Calderon Builders Inc.	3.5	150
Carter & Burgess, Inc.	3.5	150
Fluoresco Lighting - Sign Maintenance Corp.	3.5	150
Hum Consulting Inc.	3.5	150
Nations Roof of California, Inc.	3.5	150
Sculpture Conservation Studio of Constantinople Inc.	3.5	150
Unison Contracting Inc.	3.5	150
United Storm Water Inc.	3.5	150
White Light, Inc. (Green Build Art)	3.5	150
Windco Painting Inc.	3.5	150
Ad Ease Inc.	3.4	150
Alcem Fence Company Inc.	3.4	150
Aurora Industrial Hygiene, Inc.	3.4	150
Best Contracting Services	3.4	150
Cannon Pacific Services Inc.	3.4	150
Drain Medic Plumbing	3.4	150
Harris Miller Miller & Hanson	3.4	150
Inland Flooring Contractors, Inc.	3.4	150
Lochard Corporation	3.4	150
PCATpro, LLC	3.4	150
Roy McMakin (Green Build Art) dba 11 X 14 LLC	3.4	150
Sadler Electric, Inc.	3.4	150
Tetra Tech EM Inc.	3.4	150
Zuheir Inc., dba UNIK Custom Glass & Mirror	3.4	150
Audio Associates of San Diego, Inc.	3.3	150
Gatzke, Dillon & Balance LLP	3.3	150
IXL, LLC	3.3	150
Living Lenses (Green Build Art)	3.3	150
Stanley Access, Inc.	3.3	150
Stuart Keeler (Green Build Art)	3.3	150
Tabizi Incorporated dba Raider Painting Company	3.3	150
Visionary Painting Services Corporation	3.3	150
Western Bay Sheet Metal, Inc.	3.3	150
Alliant Insurance Services, Inc.	3.2	150
California Sheet Metal	3.2	150
Camille Utterback (Green Build Art)	3.2	150
Sato Services LLC (Green Build Art)	3.2	150
The Bernard Johnson Group, Inc.	3.2	150
U.S. Bank National Association	3.2	150
United States Department of Agriculture	3.2	150
Anton's Service, Inc.	3.1	150
Laser Electric Inc.	3.1	150
Siemens Building Technologies Inc.	3.1	150
AGBW Corporation, dba BPI Plumbing	3.0	150
Aircraft Service International, Inc.	3.0	150
DIIO, LLC formally Aviation Data Group, LLC	3.0	150

**Fiscal Year 2013 Audit Plan  
Expense Contract Audits – Descending Risk Scores**

<b>Business Entity</b>	<b>Risk Score</b>	<b>Estimated Hours</b>
EHMCKE Sheet Metal	3.0	150
General Ledger Resources	3.0	150
Koch-Armstrong General Engineering, Inc.	3.0	150
Miki Iwasaki dba mi-workshop	3.0	150
Porter Novelli Inc.	3.0	150
Robert Half International	3.0	150
SkillStorm Commercial Services, LLC	3.0	150
Sun Pacific Glazing, Inc.	3.0	150
Wirtz Quality Installations, Inc.	3.0	150
Gilbert Angundaz Concrete	2.9	150
SOS Staffing Services, dba TOPS Staffing	2.9	150
KRS, Inc., dba Kings Glass and Screen	2.8	150
TLC Staffing	2.8	150
Tower Glass, Inc.	2.8	250
		<b><u>24,250</u></b>

**Fiscal Year 2013 Audit Plan**  
**Car Rental (Revenue) Contract Audits – Descending Risk Scores**

<b>Company</b>	<b>Risk Score</b>	<b>Estimated Hours</b>
Avis Rent A Car Systems LLC	4.5	300
Enterprise Rent A Car Company of Los Angeles	4.1	300
Fox Rent A Car	4.1	300
The Hertz Corporation	4.1	300
DTG Operations Inc dba Thrifty & Dollar	3.8	250
Simply Wheelz LLC dba Advantage Rent-A-Car	3.6	250
Nevada Lease and Rental Inc dba Payless Car Rental System	3.5	250
Newport Beach Sales & Leasing Inc dba Budget Rent A Car Systems	3.5	250
Midway Rent A Car, Inc.	3.2	150
RLZ Corporation dba Pacific Rent-A-Car	3.1	150
South CA A1 Car Rental dba A1 Rent a Car	3.1	150
Blue Oval dba Ace Rent A Car	2.6	150
Pneuma Enterprises Inc. dba TravCar	2.6	150
		<b><u>2,950</u></b>

**Fiscal Year 2013 Audit Plan**  
**Other Lease (Revenue) Contract Audits – Descending Risk Scores**

<b>Company</b>	<b>Risk Score</b>	<b>Estimated Hours</b>
HOST International Inc.- Previous Concession Contract	4.5	300
JCDecaux, Inc.	4.4	300
Airlines & Others (Ogden Aviation)	4.3	250
Gate Gourmet Inc	4.3	250
Triad International Maintenance Corporation	3.9	150
Elite Line Services Inc.	3.8	150
GAT Airline Ground Support Inc.	3.8	150
San Diego Convention Center	3.8	150
Cloud 9 Wireless Inc.	3.8	150
Primeflight Aviation Services Inc.	3.8	150
Sky Chef Inc. dba LSG Sky Chefs	3.8	150
US General Services Administration	3.8	150
Flying Good Group, LLC	3.7	150
Landmark Aviation GSO-SAN, LLC	3.7	300
ABX Air Inc	3.6	150
San Diego Air and Space Technology Center	3.6	150
Travelex America	3.6	150
Smarte Carte Inc.	3.6	250
Aviation Port Services	3.5	150
Integrated Airline Services Inc.	3.5	150
US Aviation Services Corporation	3.5	150
Airport Terminal Service Inc.	3.4	150
Bank of America NA a National Banking Association	3.4	150
DAL Global Services LLC	3.4	150
Cargo Airport Services USA, LLC	3.3	150
Certified Aviation Services LLC	3.3	150
Jaroht, Inc. dba Pacific Telemanagement Services	3.3	150
Matrix Aviation Services, Inc.	3.3	150
SCIS Air Security Corporation	3.3	150
Air Serv Corporation	3.3	150
Arinwine Aircraft Maintenance, LLC dba F&E Aircraft	3.2	150
Huntleigh USA Corporation	3.2	150
Seraca Security Corporation	3.2	150
Security Point Media, LLC	3.1	150
SLB, Inc. dba Goodfellows Shoeshine	3.1	150
Swift Air Charters, LLC	3.0	150
AccuFleet International	2.9	150
Airport Marketing Income, LLC (Google, Inc.)	2.9	150
Jetstream Ground Services Inc.	2.9	150
OneSource Building Services Inc	2.9	150
Renty, LLC	2.9	150
Bags of California, LLC	2.8	150
Ground Equipment Services	2.8	150
Certified Folder Display Service Inc	2.8	150
Moody's Lunch Service, Inc.	2.8	150
Great Lakes Aircraft Cleaning Inc. dba Plane Detail	2.6	150
Jet Wash Inc.	2.6	150
Pacific Western Aviation Oakland LLC	2.6	150
Plane Detail, LLC	2.6	150

**Fiscal Year 2013 Audit Plan  
Other Lease (Revenue) Contract Audits – Descending Risk Scores**

<b>Company</b>	<b>Risk Score</b>	<b>Estimated Hours</b>
San Diego Fleet Week Foundation	2.6	150
Swissport USA Inc.	2.6	150
Aeronautical Radio Inc.	2.5	150
Air Transport International, LLC	2.5	150
RAC & Associates dba SpecialCare	2.5	150
Airport Lounge Development, Inc.	n/a <sup>2</sup>	250
High Flying Foods San Diego (FSP 7)	n/a	250
High Flying Foods San Diego (FSP 8)	n/a	250
High Flying Foods San Diego Partnership	n/a	250
Host International Inc. (FSP 1)	n/a	250
Host International, Inc. (FSP 2)	n/a	250
Hudson Group - CV - Epicure-Martinez San Diego (RP 2)	n/a	250
Hudson Group , Concourse Ventures Inc. , Epicure, and Martinez San Diego JV (RP 7)	n/a	250
Irvine Leasing, LLC dba Rainbow Vending, a Limited Liability Company	n/a	250
Mission Yogurt Inc. (FSP 4)	n/a	250
New Zoom Inc. (RP 6)	n/a	250
Pacific Gateway Concessions and Procurement Concepts San Diego LLC (RP 3)	n/a	250
Paradies - San Diego LLC (RP 1)	n/a	250
Project Horizon Inc. (RP 8)	n/a	250
Spa Didacus, Inc. (RP 5)	n/a	250
SSP America, Inc. (FSP 3)	n/a	250
SSP America, Inc. (FSP 5)	n/a	250
Stellar Partners Inc. (RP 4)	n/a	250
		<b>13,350</b>

<sup>2</sup> These are new contracts for concession services to begin in 2013 after the HOST International contract expires. These new audit entities add 4,500 hours to the audit plan beginning in 2013.



# San Diego County Regional Airport Authority

## Fiscal Year 2013 Proposed Audit Plan of the Office of the Chief Auditor

July 1, 2012, through June 30, 2013

Audit Committee Meeting  
March 7, 2012



# Presentation Overview

- Development of Audit Plan
- Concession Impact on Audit Resources



# Development of Audit Plan

The risk assessment methodology utilized by the OCA to construct the Fiscal Year 2013 Audit Plan is a five-part process consisting of:

- Developing the risk assessment model;
- Understanding department activities;
- Scoring the process and business activity risks;
- Ranking the auditable areas; and,
- Developing the audit plan.



# Development of Audit Plan (cont.)

- We inventoried Authority activities and segregate each audit unit into four categories:
  - ✓ Annual Ongoing Audits and Support
  - ✓ Internal Business Process Audits
  - ✓ Expense Contract Audits
  - ✓ Revenue Contract Audits
- Estimated audit hours were then assigned to each auditable unit.
- Audit unit's risk were scored using the impact and probability criteria.
- Audit units were then ranked within each category based on the auditable unit's risk score.



# Development of Audit Plan (cont.)

- We then estimated the amount of time each audit staff member would have to devote to audit projects to determine staff time available.
- Lastly, the Fiscal Year 2013 audit plan was developed based on the available resources and risk scores (see Attachment 1 in the Report).
- Expense contracts account for 26% of total expenses and revenue contracts account for 57% of total revenues over a 12-month period.





# Concession Impact on Audit Resources

- Host International Inc. has been the sole concessionaire at SDIA, requiring 300 audit hours every two years.
- Eighteen (18) new concessionaire contracts go into effect in 2013, adding 18 new audit units to the audit plan.
- Each of these concession contracts will require auditing every 2 years with 250 estimated hours for each audit.
- The result is an additional 2,250 annual audit hours required by our office.
- Decision needs to be made as to how to fit these additional hours into our schedule.
  - ✓ Reduce the hours for other audits.
  - ✓ Increase audit staffing by one FTE.



# Questions

