

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AUDIT COMMITTEE MINUTES
MONDAY, AUGUST 20, 2012
BOARD ROOM

CALL TO ORDER:

Chair Smisek called the meeting of the Audit Committee to order at 10:04 a.m., on Monday, August 20, 2012, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Committee Member Van Sambeek led the pledge of allegiance.

ROLL CALL:

PRESENT: Committee Members: Hollingworth, Hubbs, Smisek, Tartre, Van Sambeek, Young

ABSENT: Committee Members: Gleason

ALSO PRESENT: Thella F. Bowens, President/CEO; Amy Gonzalez, Director, General Counsel; Lorraine Bennett, Assistant Authority Clerk II, Corporate Services; Linda D. Gehlken, Assistant Authority Clerk I

Board Member Young arrived during the course of the meeting.

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 7, 2012, regular meeting.

ACTION: Moved by Board Member Hubbs and seconded by Committee Member Hollingworth to approve staff's recommendation. Motion carried unanimously, noting Board Members Gleason and Young as ABSENT.

2. FISCAL YEAR 2012 – ANNUAL REPORT FROM THE AUDIT COMMITTEE:

Chair Smisek provided an overview of the FY2012 Annual Report from the Audit Committee.

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board for information.

ACTION: Moved by Committee Member Van Sambeek and seconded by Committee Member Hollingworth to approve staff's recommendation. Motion carried unanimously, noting Board Members Gleason and Young as ABSENT.

Board Member Young arrived at 10:10 a.m.

3. FISCAL YEAR 2012 – ANNUAL AUDIT ACTIVITIES REPORT FROM THE OFFICE OF THE CHIEF AUDITOR, AND AUDIT RECOMMENDATIONS FROM THE OFFICE OF THE CHIEF AUDITOR FOR REVIEW AND APPROVAL:

Fred Bolger, Manager, Audit Services, provided a presentation on the Fiscal Year 2012 Annual Audit Activities Report from the Office of the Chief Auditor (OCA) that included Audit Activities; Audits in Progress; Recommendation Follow-up; Fiscal Year 2012 Performance Measure Outcomes; and Non-Audit Activities and On-Going Activities.

Committee Member Tartre referenced Table 4, the "Schedule of Additional Revenue and Cost Savings Identified through Audit Activity", and requested that a column be added to reflect an estimated time, or status, on the collection of revenue.

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board for information.

ACTION: Moved by Committee Member Hollingworth and seconded by Board Member Hubbs to approve staff's recommendation. Motion carried unanimously, noting Board Member Gleason as ABSENT.

4. 2011 AND 2012 POST AUDIT SURVEY RESULTS:

Mark Burchyett, Chief Auditor, provided an overview of the 2011 and 2012 Post Audit Survey results.

Committee Member Tartre stated that the number of survey responses received is low, and he suggested effort be put forth to identify what factors may be impacting the low feedback and what Audit might do to increase participation.

Chair Smisek suggested that providing information to the auditees prior to distributing the survey may be beneficial.

RECOMMENDATION: Information Item Only.

ACTION: No action taken.

5. UPDATE ON THE GREEN BUILD CONSTRUCTION AUDIT:

Mark Burchyett, Chief Auditor, provided an update on the Green Build Construction Audit which included Task Authorization #4 – Funding Compliance and Cost Allocations Methodology; and Office of the Chief Auditor – Audit of Contract 2 GMP (Kiewit-Sundt).

In response to concerns expressed by Committee Member Tartre regarding how to ensure that the Authority will be in compliance with Federal Aviation Administration (FAA) and/or the Office of Inspector General (OIG) guidelines in regards to the Green Build at the end of the project, Mark Burchyett, Chief Auditor, stated that staff is working closely with R.W. Block Consulting to address anticipated needs of the FAA and OIG along the way. Bryan Enarson, Vice President, Development, added that staff is also reviewing how similar projects are done at other airports, as a guideline. Thella F. Bowens, President/CEO, stated that the Green Build invoices are being reviewed as they are generated to identify any problems or concerns early in the process.

RECOMMENDATION: Information item only.

ACTION: No action taken.

CLOSED SESSION:

REPORT ON CLOSED SESSION:

COMMITTEE MEMBER COMMENTS:

ADJOURNMENT: The meeting was adjourned at 10:45 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 19th DAY OF NOVEMBER, 2012.

MARK A. BURCHYETT
CHIEF AUDITOR

ATTEST:

LORRAINE BENNETT
ASSISTANT AUTHORITY CLERK II