

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
AUDIT COMMITTEE MEETING  
MINUTES  
MONDAY, SEPTEMBER 10, 2018  
BOARD ROOM**

**CALL TO ORDER:** Chair Robinson called the Audit Committee Meeting to order at 10:00 a.m., on Monday, September 10, 2018, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

**PLEDGE OF ALLEGIANCE:** Board Member West led the Pledge of Allegiance.

**ROLL CALL:**

Present: Committee Members: Hollingworth, Lloyd, Robinson (Chair), Van Sambeek, West

Absent: Committee Members: Schiavoni, Tartre

Also Present: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Linda Gehlken, Assistant Authority Clerk I; Martha Morales, Assistant Authority Clerk I

**NON-AGENDA PUBLIC COMMENT:** None.

**NEW BUSINESS:**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the May 14, 2018, regular meeting and the June 25, 2018, special Audit Committee Meeting.

**ACTION: Moved by Board Member West and seconded by Board Member Lloyd to approve staff's recommendation. Motion carried unanimously, noting Committee Member Van Sambeek's ABSTENTION, and Board Member Schiavoni and Committee Member Tartre as ABSENT.**

**2. FISCAL YEAR 2018 ANNUAL REPORT FROM THE AUDIT COMMITTEE:**

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board with a recommendation for acceptance.

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

**3. FISCAL YEAR 2018 ANNUAL ACTIVITIES REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:**

Fred Bolger, Manager, Audit Services, provided a presentation on the Fiscal Year 2018 Annual Activities Report from the Office of the Chief Auditor, which included Audit Activities, Recommendation Follow-up, Fiscal Year 2018 Measure Outcomes, Quality Assessment and Improvement Program, Summary of Ethics Inquiries, and Disclosures.

In response to concern expressed by Board Member West regarding the unmet percentage goal for audits completed in Fiscal Year 2018 and how this would be handled in the future, Mr. Bolger stated that audit reports from one fiscal year requiring to be rolled over into the next fiscal year will be reflected in an amendment to the Fiscal Year 2019 Audit Plan. He also stated that in the amended Plan staff would be more realistic in assessing man-hours allocated for audits and will provide these line items as needed for the revision.

**RECOMMENDATION:** Staff recommends that the Audit Committee forward this item to the Board with a recommendation for acceptance and provide, if necessary, direction to staff on audit recommendations. *(Requires five (5) affirmative votes of the Audit Committee.)*

**ACTION:** Moved by Committee Member Van Sambeek and seconded by Board Member West to approve staff's recommendation. Motion carried unanimously, noting Board Member Schiavoni and Committee Member Tartre as ABSENT.

**4. REVISION TO THE FISCAL YEAR 2019 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**

Lee Parravano, Chief Auditor, provided a presentation on the revision of the Fiscal Year 2019 Audit Plan of the Office of the Chief Auditor, which included Reasons for Revisions and Audits with Revised Hours.

**RECOMMENDATION:** Staff recommends that the Audit Committee accept the revised Audit Plan and forward it to the Board for approval. *(Requires five (5) affirmative votes of the Audit Committee.)*

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

**5. REVISION TO THE CHARTER OF THE AUDIT COMMITTEE:**

Lee Parravano, Chief Auditor, provided a presentation on the revision to the Charter of the Audit Committee, which included Background, Reasons for Review and Amending, Significant Additions and Significant Deletions.

RECOMMENDATION: Staff recommends that the Audit Committee accept the proposed revision and forward this item to the Board for approval.

**ACTION: Moved by Committee Member Van Sambeek and seconded by Board Member West to approve staff's recommendation. Motion carried unanimously, noting Board Member Schiavoni and Committee Member Tartre as ABSENT.**

6. **REVISION TO THE CHARTER OF THE OFFICE OF THE CHIEF AUDITOR:**  
Lee Parravano, Chief Auditor, provided a presentation on the revision to the Charter of the Office of the Chief Auditor, which included Background, Reasons for Review and Amending, Significant Additions, and Significant Deletions.

In response to Committee Member Hollingworth's concern that both positive and negative disclosures would continue under the revised Charter, Mr. Parravano stated that the revision would not alter those requirements. He also stated that OCA staff would put forth greater effort in their audit reports towards including the positive things being performed at the Authority.

Chair Robinson requested that all Committee members be provided a copy of the San Diego International Airport Economic Impact Study report presented at the August 27<sup>th</sup> Special Board and Executive/Finance Committee meeting, due to the report's many positive statements about SDIA.

RECOMMENDATION: Staff recommends that the Audit Committee accept the proposed revision and forward this item to the Board for approval.

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

7. **REVISION TO POLICIES AND CODES TO REMOVE THE REQUIREMENTS TO PERFORM AUDITS:**  
Lee Parravano, Chief Auditor, provided a report on proposed revisions to Authority Policies and Codes.

RECOMMENDATION: Information item only.

**No action taken.**

**COMMITTEE MEMBER COMMENTS:** None

**ADJOURNMENT:** The meeting was adjourned at 10:35 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO  
COUNTY REGIONAL AIRPORT AUTHORITY THIS 5<sup>th</sup> DAY OF NOVEMBER, 2018.

  
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LEE PARRAVANO  
CHIEF AUDITOR

ATTEST:

  
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LINDA GEHLKEN  
ASSISTANT AUTHORITY CLERK I