

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AUDIT COMMITTEE MINUTES
MONDAY, MAY 4, 2015
BOARD ROOM**

CALL TO ORDER:

Chair Robinson called the regular meeting of the Audit Committee to order at 10:00 a.m., on Monday, May 4, 2015, 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 Tartre led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Committee Members: Hollingworth, Hubbs, Robinson, Sessom, Tartre, Van Sambeek

ABSENT: Committee Members: Gleason

ALSO PRESENT: Angela Shafer-Payne, Vice President, Operations; Amy Gonzalez, Senior Director, General Counsel; Lorraine Bennett, Assistant Authority Clerk II; Linda Gehlken, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the February 9, 2015, regular meeting.

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

2. FISCAL YEAR 2015 THIRD QUARTER AUDIT ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:

Fred Bolger, Manager, Audit Services, provided a presentation of the Fiscal Year 2015 Third Quarter Audit Activities Report, which included Audit Activities, Audits in Progress as of March 31, 2015, Recommendation Follow-up, Fiscal Year 2015 Measure Outcomes, and Summary of Ethics Inquiries.

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board for information and provide, if necessary, direction to staff on audit recommendations.

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

3. FISCAL YEAR 2016 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

Mark A. Burchyett, Chief Auditor, provided a presentation on the Fiscal Year 2016 proposed Audit Plan of the Office of the Chief Auditor, which included Risk Assessment Methodology, Audit Activities, Fiscal Year 2016 Audit Coverage, Available Audit Resources, Business Process Audits, Expense Contract Audits, Revenue Contract Audits, Annual Ongoing Audits and Support, and Audit Hours Summary.

Committee Member Tartre requested that in the future, staff provide the Fiscal Year Audit Coverage data for revenue/expense contracts to reflect the percentage covered over the audit period, versus a 12-month period.

Board Member Hubbs requested that Finance staff provide the soft costs versus hard costs for Contract Management, Construction Manager and Project Manager costs.

In response to Board Member Hubbs regarding why Jacobs Project Management Co. was not included as part of the Expense Contract Audits, Mark Burchyett, Chief Auditor, stated that there was not much spent on this contract, as compared with Kimberly-Horn & Associates and Abadjis Systems, Ltd. He stated that staff will look at the close-out for these two contracts, and if there are any problems, staff will revisit the Jacobs Project Management Co. contract.

Committee Member Hollingworth requested that staff look at the soft costs associated with the Contract Management billing rates.

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

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

4. FISCAL YEAR 2016 PROPOSED BUDGET OF THE OFFICE OF THE CHIEF AUDITOR AND FISCAL YEAR 2017 PROPOSED CONCEPTUAL BUDGET EXPENSE SUMMARY:

Mark A. Burchyett, Chief Auditor, provided a presentation on the Fiscal Year 2016 proposed budget of the Chief Auditor and Fiscal Year 2017 proposed conceptual budget, which included Fiscal Year 2016 Proposed – 2017 Proposed Conceptual Budget Expense Summary, and Major Drivers of Fiscal Year 2016 and Fiscal Year 2017 Proposed Budget.

RECOMMENDATION: Staff recommends that the Audit Committee accept the proposed budget and forward it to the Board as part of the Authority's Fiscal Year 2016 Budget process for approval.

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

CLOSED SESSION: The Committee recessed into Closed Session at 10:37 a.m. to discuss Item 5.

5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
(Government Code Section 54957)
Title: Chief Auditor

REPORT ON CLOSED SESSION: The Committee reconvened into Open Session at 11:10 a.m. There was no reportable action.

NON-AGENDA PUBLIC COMMENT: None

COMMITTEE MEMBER COMMENTS: None

ADJOURNMENT: The meeting was adjourned at 11:11 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY THIS 17th DAY OF AUGUST, 2015.



MARK A. BURCHYETT
CHIEF AUDITOR

ATTEST:



LORRAINE BENNETT
ASSISTANT AUTHORITY CLERK II