SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUDIT COMMITTEE MINUTES MONDAY, NOVEMBER 15, 2021 BOARD ROOM

<u>CALL TO ORDER:</u> Chair Vann called the Audit Committee and special Board Meeting to order at 10:00 a.m., on Monday, November 15, 2021, electronically and via teleconference, pursuant to the provisions of California Assembly Bill 361 and Resolution No. 2021-0123, at the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

ROLL CALL:

Present:

Committee Members:

Blakespear, Casillas Salas, Newsom,

Vann (Chair), Vargas, Wong Nickerson

Board Members:

Cabrera, Schiavoni

Absent:

Committee Members:

Lloyd

Also Present:

Kimberly J. Becker, President/CEO; Amy Gonzalez, General

Counsel; Tony R. Russell, Director, Board Services/Authority

Clerk; Miranda Morris-Dilks, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the September 13, 2021, regular meeting.

ACTION: Moved by Committee Member Newson and seconded by Committee Member Wong Nickerson to approve staff's recommendation. Motion carried unanimously noting Board Member Lloyd as ABSENT.

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2. EXTERNAL AUDITOR'S FISCAL YEARS ENDED JUNE 30, 2021 REPORT: A) AUDITED FINANCIAL STATEMENTS, B) SINGLE AUDIT REPORTS, C) PASSENGER FACILITY CHARGES COMPLIANCE REPORT, D) CUSTOMER FACILITY CHARGE COMPLIANCE REPORT, AND E) LETTER TO THE BOARD: Scott Brickner, Vice President/CFO and Danny Martinez, CPA, CGFM, Managing Director, BKD, LLP provide a presentation on Financial Statements and Compliance Audit Year Ended June 30, 2021 that included Audit Results for the Year Ended June 30, 2021; Areas of Audit Emphasis; Financial Highlights; FAA CARES Act Funding; Tenant Lease Receivable, Net; Other Note Disclosures; Required Communications; Findings; and Industry Developments Affecting the Airport Authority.

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board with a recommendation for acceptance. (Requires five (5) affirmative votes of the Audit Committee.)

ACTION: Moved by Committee Member Wong Nickerson and seconded by Board Member Vargas to approve staff's recommendation. Motion carried unanimously, noting Board Member Lloyd as ABSENT.

3. REVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2021:

Scott Brickner, Vice President/CFO provided an overview of the Annual Comprehensive Financial Report.

Committee Member Newsom pointed out an error on Page vi of the report where it states that "the largest cities in the county are San Diego (42%), Chula Vista (3 percent), Oceanside (5 percent)...". She stated that the percent for Chula Vista should be 13% of the San Diego County population.

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

ACTION: Moved by Committee Member Newsom and seconded by Board Member Vargas to approve staff's recommendation. Motion carried unanimously as amended to correct the percentage of the County's population for Chula Vista, noting Board Member Lloyd as ABSENT.

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4. FISCAL YEAR 2022 FIRST QUARTER REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:

Lee Parravano, Chief Auditor, provided a presentation on the Fiscal Year 2022 First Quarter Report from the Office of the Chief Auditor that included Fiscal Year 2022 Performance Measures; Audit Spotlight – Enterprise Content Management System Access Controls; and General Audit Activity – Recommendation Follow-up.

Board Member Vargas left the meeting at 11:01 a.m.

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

ACTION: Moved by Committee Member Newsom and seconded by Board Member Blakespear to approve staff's recommendation. Motion carried unanimously noting Board Members Lloyd and Vargas as ABSENT.

5. REVISION TO THE FISCAL YEAR 2022 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

Lee Parravano, Chief Auditor, provided a presentation on the Revision to the Fiscal Year 2022 Audit Plan of the Office of the Chief Auditor that included Reasons for Revision and Rental Car Companies Audit Additional Details.

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

ACTION: Moved by Board Member Casillas Salas and seconded by Committee Member Newsom to approve staff's recommendation. Motion carried unanimously, noting Board Members Lloyd and Vargas as ABSENT.

COMMITTEE MEMBER COMMENTS: None.

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ADJOURNMENT: The meeting adjourned at 11:24 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 7th DAY OF FEBRUARY, 2022.

LEE PARRAVANO CHIEF AUDITOR

ATTEST:

TONY R. BUSSELL

DIRECTOR, BOARD SERVICES/

AUTHORITY CLERK