

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AUDIT COMMITTEE MEETING
MINUTES
MONDAY NOVEMBER 20, 2017
BOARD ROOM**

CALL TO ORDER: Chair Robinson called the Audit Committee Meeting to order at 10:00 a.m., on Monday, November 20, 2017, in the Board Room of the San Diego International Airport, Administration Building, 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, Robinson (Chair), Schumacher, Sessom, Tartre

Absent: Committee Members: Gleason, Van Sambeek

Also Present: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/ Authority Clerk; Linda Gehlken, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the September 11, 2017, regular meeting.

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

2. EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2017, REPORTS: A) AUDITED FINANCIAL STATEMENTS, B) SINGLE AUDIT REPORTS, C) PASSENGER FACILITY CHARGE COMPLIANCE REPORT, D) CUSTOMER FACILITY CHARGE COMPLIANCE REPORT, AND E) LETTER TO THE BOARD:

David Coleman, CPA, Director, BKD, LLP provided a presentation on the Annual Audit – Year Ended June 30, 2017, which included 2017 Highlights, Future

Change in Accounting Principles, Assets and Deferred Outflows Composition Trends, Liabilities and Deferred Inflows Composition Trends, Total Revenues and Capital Contributions Composition for the Year Ended June 30, 2017, Total Revenues and Capital Contributions Trends, Expense Composition for the Year Ended June 30, 2017, Expense Trends, and Other Relevant Trends.

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 Sessom to approve staff's recommendation. Motion carried unanimously, noting Board Member Gleason and Committee Member Van Sambeek as ABSENT.

3. REVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2017:

Kathy Kiefer, Senior Director, Finance and Asset Management, provided an overview of the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2017.

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

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

4. FISCAL YEAR 2018 FIRST QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:

Mark A. Burchyett, Chief Auditor and Fred Bolger, Manager, Audit Services provided a presentation on the Fiscal Year 2018 First Quarter Activities Report and Audit Recommendations, which included Audit Activities, Audits in Progress as of September 30, 2017, Recommendation Follow-Up, Status of Recommendations with Estimated Implementation Timeframe, Fiscal Year 2018 Measure Outcomes, and Summary of Ethics Inquiries.

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.

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

5. REVISION TO THE FISCAL YEAR 2018 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

Fred Bolger, Manager, Audit Services, provided a request for the revision to the Fiscal Year 2018 Audit Plan of the Office of the Chief Auditor.

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

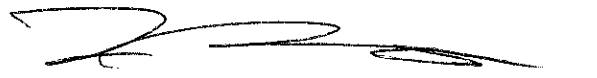
ACTION: Moved by Board Member Sessom and seconded by Board Member Schumacher to approve staff's recommendation. Motion carried unanimously, noting Board Member Gleason and Committee Member Van Sambeek as ABSENT.

NON-AGENDA PUBLIC COMMENT: None

COMMITTEE MEMBER COMMENTS: Chair Robinson announced that a search for a new Chief Auditor has begun due to the upcoming retirement of Mark Burchyett.

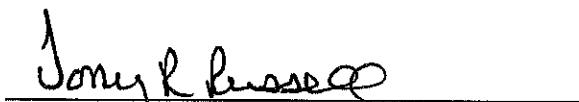
ADJOURNMENT: The meeting was adjourned at 10:25 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 12th DAY OF FEBRUARY, 2018.



MARK A. BURCHYETT
CHIEF AUDITOR

ATTEST:



TONY R. RUSSELL
DIRECTOR, CORPORATE & INFORMATION
GOVERNANCE/AUTHORITY CLERK