

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL AUDIT COMMITTEE MEETING
MINUTES
MONDAY, NOVEMBER 21, 2022
BOARD ROOM**

CALL TO ORDER: Vice Chair Schiavoni called the Special Audit Committee Meeting to order at 9:33 a.m., on Monday, November 21, 2022, at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

ROLL CALL:

Present: Committee Members: Blakespear, Newsom, Schiavoni (Vice Chair), Sly, Wong Nickerson

Absent: Committee Members: Casillas Salas, Vann (Chair)

Also Present: Kimberly J. Becker, President/CEO; Lee Kaminetz, Director, Counsel Services; Tony R. Russell, Director, Board Services/Authority Clerk; Sean Harris, Assistant Authority Clerk II

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

Vice Chair Schiavoni stated that the committee would be taking the agenda items out of order to hear those items requiring 5 votes first.

2. EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2022 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:

Elizabeth Stewart, Director, Accounting, introduced Rachel Ormsby, Director & Lead Audit Engagement Executive, FORVIS, who provided a presentation on the External Auditor's Fiscal Year Ended June 30, 2022, Audit that included Audit Results for Year Ended June 30, 2022; Financial Highlights; Governmental Accounting Standards Board (GASB) Statement 87, Leases; FAA COVID Funding; Required Communications; and Findings.

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 Newsom and seconded by Board Member Sly to approve staff's recommendation. Motion carried unanimously noting Board Member Casillas Salas and Chair Vann as ABSENT.

3. REVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2022:

Elizabeth Stewart, Director, Accounting, provided a review of the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022.

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 Committee Member Wong Nickerson to approve staff's recommendation. Motion carried unanimously noting Board Member Casillas Salas and Chair Vann as ABSENT.

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

Lee Parravano, Chief Auditor, provided a presentation on the Fiscal Year 2022 Annual Report from the Office of the Chief Auditor that included, Fiscal Year 2022 Performance Measures; Engagements Completed in 4th Quarter; General Audit Activities; an Audit Spotlight – Direct Labor; Billing During Validation Phase; and Required Disclosures.

RECOMMENDATION: Staff recommends that the Audit Committee review this item and forward it 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 Blakespear to approve staff's recommendation. Motion carried unanimously noting Board Member Casillas Salas and Chair Vann as ABSENT.

Committee Member Wong Nickerson left the meeting at 9:58 a.m.

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the September 12, 2022, regular meeting.

ACTION: Moved by Committee Member Newsom and seconded by Board Member Blakespear to approve staff's recommendation. Motion carried unanimously noting Board Member Casillas Salas, Chair Vann, and Committee Member Wong Nickerson as ABSENT.

5. FISCAL YEAR 2023 FIRST QUARTER REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:

Lee Parravano, Chief Auditor, provided a presentation on the Fiscal Year 2023 First Quarter Report from the Office of the Chief Auditor that included, Fiscal Year 2023 Performance Measure; General Audit Activities; Administrative – New Audit Webpage; and an Audit Spotlight – 2% Surcharge.

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

Board Member Sly suggested that the required surcharge language of individual concessionaires should not imply that the surcharge is being charged by the Airport.

ACTION: Moved by Board Member Sly and seconded by Board Member Blakespear to approve staff's recommendation. Motion carried unanimously noting Board Member Casillas Salas, Chair Vann, and Committee Member Wong Nickerson as ABSENT.

7. REVIEW AMENDMENTS TO AUTHORITY CODE 2.16 – ENFORCEMENT (ETHICS AND CONDUCT)

Lee Parravano, Chief Auditor, provided a presentation on the proposed amendments to Authority Code 2.16 – Enforcement that included Code Section 2.16 Overview, Proposed Changes, and Preliminary Review.

RECOMMENDATION: Staff recommends that the Audit Committee review and accept the proposed amendments to Authority Code 2.16 and forward the item to the Board with a recommendation for approval.

Vice Chair Schiavoni recommended amending staff's recommendation to include language in Code 2.16 that the Board be notified of the disposition of ethics complaints pertaining to Board Members and individuals appointed by the Board.

ACTION: Moved by Committee Member Newsom and seconded by Board Member Sly to approve staff's recommendation with the amendment to include language that the Board be notified of the disposition of ethics complaints pertaining to Board members and individuals appointed by the Board. Motion carried unanimously noting Board Member Casillas Salas, Chair Vann, and Committee Member Wong Nickerson as ABSENT.

The Committee recessed at 10:25 a.m. and reconvened at 10:30 a.m.

Committee member Wong Nickerson returned to the meeting at 10:30 a.m.

6. REVISION TO THE FISCAL YEAR 2023 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

Lee Parravano, Chief Auditor, provided a presentation on the Revision to the Fiscal Year 2023 Audit Plan of the Office of the Chief Auditor that included Reasons for Revision.

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 Blakespear and seconded by Committee Member Newsom to approve staff's recommendation. Motion carried unanimously noting Board Member Casillas Salas and Chair Vann as ABSENT.

COMMITTEE MEMBER COMMENTS: None.

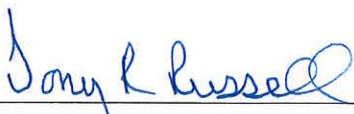
ADJOURNMENT: The meeting adjourned at 10:35 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 6th DAY OF FEBRUARY 2023.



LEE PARRAVANO
CHIEF AUDITOR

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK