

MONDAY, SEPTEMBER 9, 2024
BOARD ROOM

CALL TO ORDER: Chair Newsom called the Audit Committee Meeting to order at 10:01 a.m., on Monday, September 9, 2024, at the San Diego County Regional Airport Authority, Administration Building, 2417 McCain Road, San Diego, CA 92101.

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

ROLL CALL:

Present: Committee Members: Huerta, Montgomery Steppe, Newsom
(Chair), Perez, Sanchez

Board Members: Cabrera (Chair)

Absent: Committee Members: Vaus, Wong Nickerson

Also Present: Scott Brickner, Vice President/Treasurer/CFO; Amy Gonzalez, General Counsel; Shawna Morales, Assistant Authority Clerk II; Patricia Willis, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 6, 2024, regular meeting.

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

2. FISCAL YEAR 2024 ANNUAL REPORT FROM THE AUDIT COMMITTEE:

Chair Newsom provided an overview of the Fiscal Year 2024 Annual Report from the Audit Committee.

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

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

3. GLOBAL INTERNAL AUDIT STANDARDS UPDATE

Lee Parravano, Chief Auditor, provided a presentation on Global Internal Audit Standards Update that included Background; International Professional Practices Framework; Global Internal Audit Standards; Major Changes; Domain III – Governing which included, Principle 6 – Authorized by Audit Committee/Board, Principle 7 – Positioned Independently and Principle 8 – Overseen by the Audit Committee/Board; and Future Changes.

Committee member Huerta inquired if the current practices for appointing the Chief Auditor would meet the new threshold of these new guidelines or if they need to be tightened. Lee Parravano, the Chief Auditor, will review this with Monty Bell, the Director of Human Resources.

RECOMMENDATION: Informational item only.

4. FISCAL YEAR 2024 ANNUAL REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:

Fred Bolger, Manager of Audit Services, and Marnie Dale, Auditor, provided a presentation on the Fiscal Year 2024 Annual Report from the Office of the Chief Auditor, which included Fiscal Year 2024 Performance Measures; General Audit Activities, which included Recommendations Follow-Up, Fraud, Waste, Abuse and Ethics, Quality Assurance and Improvement Program (QAIP), and Audit Spotlight: Fox Rent-A-Car.

Board member Montgomery Steppe inquired about who is responsible for the overcollection of CFCs from customers with Fox Rent-A-Car. Fred Bolger, Manager of Audit Services, responded that the Authority does not take custody of those funds; a recommendation will be given to Fox to return the funds to the customer, and it would be reviewed in the next audit.

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 Board Member Sanchez and seconded by Board Member Montgomery Steppe to approve staff's recommendation. Motion carried unanimously noting Board Member Vaus and Committee Member Wong Nickerson as ABSENT.

5. ANNUAL REVIEW OF THE CHARTER OF THE AUDIT COMMITTEE:

Lee Parravano, Chief Auditor, provided a presentation on the Annual Review of the Charter of the Audit Committee that included, Annual Review Required and Changes Needed for Process Updates.

RECOMMENDATION: Staff recommends that the Audit Committee accept the proposed revision to the Charter and forward it to the Board with a recommendation for approval.

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

6. ANNUAL REVIEW OF THE CHARTER FOR THE OFFICE OF THE CHIEF AUDITOR:

Lee Parravano, Chief Auditor, provided a presentation on the Annual Review of the Charter for the Office of the Chief Auditor that included, Annual Review Required; Purpose Statement; Mandate; and Other Essential Conditions.

RECOMMENDATION: Staff recommends that the Audit Committee accept the proposed revision to the Charter and forward it to the Board with a recommendation for approval.

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

7. REVISION TO THE FISCAL YEAR 2025 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

Fred Bolger, Manager Audit Services, provided a presentation on the Revision to the Fiscal Year 2025 Audit Plan of the Office of the Chief Auditor, which 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 Montgomery Steppe and seconded by Board Member Sanchez to approve staff's recommendation. Motion carried unanimously noting Board Member Vaus and Committee Member Wong Nickerson as ABSENT

COMMITTEE MEMBER COMMENTS:

CLOSED SESSION: The Committee recessed into Closed Session at 10:41 a.m. to discuss item 8.

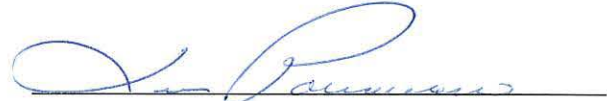
8. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9
Number of cases: 1

REPORT ON CLOSED SESSION: The Committee adjourned out of Closed Session at 11:11 a.m. There was no reportable action.

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

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY THIS 18th DAY OF NOVEMBER 2024.

A handwritten signature in blue ink, appearing to read "Lee Parravano", written over a horizontal line.

LEE PARRAVANO
CHIEF AUDITOR

ATTEST:

A handwritten signature in blue ink, appearing to read "Patricia Willis", written over a horizontal line.

PATRICIA WILLIS
ASSISTANT AUTHORITY CLERK I