

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL AUDIT COMMITTEE MINUTES
MONDAY, APRIL 21, 2014
BOARD ROOM**

CALL TO ORDER:

Chair Smisek called the Special Meeting of the Audit Committee to order at 10:01 a.m., on Monday, April 21, 2014, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

PRESENT: Committee Members: Gleason, Hollingworth, Hubbs, Sessom, Smisek, Tartre

ABSENT: Committee Members: Van Sambeek

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Lorraine Bennett, Assistant Authority Clerk II

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. PROCESS AND SELECTION OF THE EXTERNAL AUDITOR:

Scott Brickner, Vice President, Finance and Asset Management/Treasurer, provided a presentation on the Process and Selection of the External Auditor, which included Audit Service Request For Proposal Timeline and Results; Evaluation Criteria; Rankings of Respondents; Recommendation to the Audit Committee; and Fiscal Year Ending June 30, 2014, Audit Schedule.

In response to Committee Member Tartre about whether travel and lodging expenses are included in the proposed contract with BKD, LLP, Mr. Brickner responded that this is being negotiated.

Board Member Hubbs requested that staff provide last year's costs for Audit Services. He also requested that staff provide additional information regarding the evaluation criteria and weights as they relate to cost and fees.

Board Member Sessom requested that staff provide information regarding how long BKD, LLP's proprietary software has been in place, and its users. She also requested additional information on the RFP evaluation criteria for calculating the weighted points for the different categories. She stated that she needed more information to make an informed decision at this time.

Board Member Gleason requested that staff include in its report at the May 1st Board Meeting, a breakdown of the weighting criteria, panel composition, BKD, LLP proprietary software, and language regarding whether travel and lodging costs are included in the contract fee.

In response to Committee Member Tartre, regarding whether steps have been taken to address any potential legal issues with the contract indemnity language, Thella Bowens, President/CEO, stated that staff will ensure that BKD, LLP has discussed the contract language with its legal staff.

RECOMMENDATION: Forward recommendation of external auditor to the Board.

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

COMMITTEE MEMBER COMMENTS: None

ADJOURNMENT: The meeting was adjourned at 10:32 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 12TH DAY OF MAY, 2014.



MARK A. BURCHYETT
CHIEF AUDITOR

ATTEST:



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