

DRAFT

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AUDIT COMMITTEE MINUTES
MONDAY, FEBRUARY 4, 2013
BOARD ROOM**

CALL TO ORDER:

Chair Smisek called the meeting of the Audit Committee to order at 10:00 a.m., on Monday, February 4, 2013, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Committee Member Hollingworth led the pledge of allegiance.

ROLL CALL:

PRESENT: Committee Members: Hollingworth, Hubbs, Smisek, Van Sambeek

ABSENT: Committee Members: Gleason, Tartre

ALSO PRESENT: Angela Shafer-Payne, Vice President, Planning and Operations; Breton K. Lobner, General Counsel; Lorraine Bennett, Assistant Authority Clerk II, Corporate Services; Jennifer Phillips, Corporate Services Assistant

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the November 19, 2012, regular meeting.

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

2. CONSTRUCTION AUDIT STATUS REPORT:

Shane Ellis, Senior Auditor, Chief Auditor Department provided a presentation on the Construction Audit Status Report, which included AECOM Expenditures and Performance Audit – Planning Phase; Rental Car Center Compliance and Controls; and RW Block Consulting Task Authorization #4 – Analysis of TDP Estimate at Completion to Funding Sources and Related Eligibility.

RECOMMENDATION: Staff recommends that the Audit Committee accept the report.

ACTION: The Committee accepted the report.

3. QUARTERLY AUDIT ACTIVITIES REPORT – FISCAL YEAR 2013 SECOND QUARTER, AND REPORT ON AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:

Fred Bolger, Manager, Audit Services, provided an overview of the Fiscal Year Second Quarter Report, which included Audit Activities; Recommendation Follow-up; Performance Measures; and Non-Audit and On-going Activities.

In response to Committee Member Hollingworth, regarding his concern about the Ethics Hotline Call Summary report and issues related to the conflict of interest involving contracts, Breton Lobner, General Counsel, responded that his office is preparing a memorandum to the Board concerning the issue, a copy of which will be submitted to the Audit Committee.

In response to Board Member Hubbs, regarding over-billing by the City of San Diego for Aircraft Rescue and Fire Fighting Expenses, Angela Shafer-Payne, Vice President, Planning and Operations, stated that an invoice has been issued, and that going forward, staff will work with the City for additional clarity on the amounts charged.

In response to Committee Member Hollingworth regarding whether the Authority has other similar contracts for indirect overhead rate charges, Vernon Evans, Vice President, Finance/Treasurer, responded that staff has been working with the Harbor Police to address and resolve any issues regarding indirect billings.

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board for information and provide, if necessary, direction to staff on audit recommendations.

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

4. REVISION TO THE FISCAL YEAR 2013 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

Fred Bolger, Manager, Audit Services, reported that a close-out audit will be performed for Triad International Maintenance, since they no longer provide service at the San Diego International Airport.

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board for information.

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

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting was adjourned at 10:17 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 13th DAY OF MAY, 2013.

MARK A. BURCHYETT
CHIEF AUDITOR

ATTEST:

LORRAINE BENNETT
ASSISTANT AUTHORITY CLERK II