



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
AUDIT COMMITTEE

Item No.
6

Meeting Date: **MAY 13, 2013**

Subject:

Fiscal Year 2014 Proposed Audit Plan of the Office of the Chief Auditor

Recommendation:

Staff recommends that the Audit Committee accept the proposed audit plan and forward it to the Board for approval.

Background/Justification:

As directed in the Charter of the Office of the Chief Auditor, a one-year audit plan shall be submitted by the Chief Auditor to the Audit Committee at the beginning of each fiscal year for their review and approval.

The Fiscal Year 2014 Audit Plan was prepared by the Chief Auditor based on the following elements, as highlighted below, and detailed in Attachment A:

- a comprehensive risk assessment methodology and analysis;
- input from the Board;
- input from Authority management; and,
- on the basis of staff resources available.

During its May 13, 2013, Audit Committee Meeting, the proposed Fiscal Year 2014 Audit Plan (Attachment 1) will be presented to the Committee for their examination.

Fiscal Impact:

The action will not result in any additional costs to the Authority.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

MARK A. BURCHYETT
CHIEF AUDITOR

PROPOSED FISCAL YEAR 2014 AUDIT PLAN

Introduction

This document is for the purpose of communicating to the San Diego County Regional Airport Authority (Authority) Board the process used for constructing the Office of the Chief Auditor's (OCA) Annual Audit Plan (Audit Plan) for Fiscal Year 2014.

The Audit Plan was developed utilizing a risk assessment methodology that considered specific impact and probability risks. Impact risk evaluates the effect resulting from a breakdown in an operation's environment, processes, and/or controls. Probability risk evaluates the likelihood that an incident will occur.

Utilizing a structured risk assessment methodology enables the OCA to quantify the level of risk related to the Authority's processes and business activities. On the basis of the risk scoring, the OCA can develop an appropriate audit schedule that will ensure adequate review of the Authority's operations.

The risk assessment methodology utilized by the OCA to construct the Fiscal Year 2014 Audit Plan is a five-part process consisting of:

1. Developing the risk assessment model;
2. Understanding department activities;
3. Scoring the process and business activity risks;
4. Ranking the auditable areas; and,
5. Developing the audit plan.

Developing the Risk Assessment Model

We have inventoried all Authority activities, segregating them into the following categories:

- Annual Ongoing Audits and Support
- Internal Business Process Audits
- Expense Contract Audits
- Revenue Contract Audits

These categories were segregated into auditable units, and estimated audit hours were then assigned to each auditable unit. Each audit unit's risk was scored using the impact and probability risk criteria, and then ranked based on the auditable unit's risk score. The final risk score for each auditable unit are detailed in Attachments 3, 4, 5, and 6.

To determine the annual amount of staff time available to complete audits, we estimated the amount of time each audit staff member would have to devote to audit projects, taking into consideration administrative, vacation, training, sick, and holiday hours. We estimated that a total of 9,318 staff hours are available during Fiscal Year 2014 to conduct assigned audits¹.

The next step was to determine the net hours available for non-annual audits that relate to business processes, expense contracts, and revenue contracts. This amount was calculated by subtracting the hours required to conduct annual ongoing audits, ethics program activities, and construction audit activities, from the total available hours. Table 1 below details this calculation.

¹ These hours include the assumption that one (1) new staff member will be added the last quarter of the fiscal year.

PROPOSED FISCAL YEAR 2014 AUDIT PLAN

TABLE 1
Staff Hours Available to Conduct Non-Annual Audits

Total Available Staff Hours Per Year (See Attachment 1)	9,318
Annual Ongoing Audits	(1,130)
Ethics Program Activity	(400)
Construction Audit and Monitoring Activity	(1,340)
Available Hours for Non-Annual Audits	6,448

The final step was to develop the Fiscal Year 2014 audit plan based on the available resources and risk scores. For each of the audit categories (business processes, expense contracts, and revenue contracts) we selected audit units with higher risk scores, taking into account the amount of resources that would be required of the internal audit staff.

The proposed Audit Plan for Fiscal Year 2014 is presented in Attachment 1. The expense contracts selected for review account for 31.5% of the total actual expenses over a 12-month period, and the revenue contracts (excluding airline revenues) accounting for 21.6% of the total collected revenues over the same 12-month period.

Further explanation of each of the audit units included in the Audit Plan is provided in Attachment 2. Subsequent attachments summarize the risk score details:

- Attachment 3: Business Processes – Descending Risk Scores
- Attachment 4: Expense Contracts – Descending Risk Scores
- Attachment 5: Car Rental Contracts – Descending Risk Scores
- Attachment 6: Other Lease and Concession Contracts – Descending Risk Scores

**San Diego County Regional Airport Authority
Proposed FY 2014 Audit Plan**

<u>BUSINESS PROCESS AUDITS (Attachment 3)</u>		
1	Debt Service Management	250
2	Cloud Management and Performance	300
3	Human Resources Services Performance	350
4	Airport Lost and Found	200
5	Timekeeping Payroll	250
6	Social Media Control and Performance	250
	TOTAL BUSINESS PROCESS AUDIT HOURS	1,600 17.2%
<u>EXPENSE CONTRACT AUDITS (Attachment 4)</u>		
7	Bradford Airport Logistics	200
8	Leigh Fisher & Associates	200
9	SOLPAC Construction, Inc., dba Soltek Pacific Construction Company	150
10	Abadjis Systems, Ltd.	200
11	Ace Parking Management, Inc.	250
12	Kimley-Horn and Associates, Inc.	200
13	Porter Novelli, Inc.	150
14	AMEC Environmental and Infrastructure, Inc.	150
	TOTAL EXPENSE CONTRACT AUDIT HOURS	1,500 16.1%
<u>REVENUE CONTRACT AUDITS (Attachments 5 and 6)</u>		
15	Budget Rent A Car Systems	250
16	DTG Operations, Inc. dba Thrifty & Dollar	250
17	Nevada Lease and Rental, Inc. dba Payless Car Rental System	250
18	Simply Wheelz, LLC dba Advantage Rent-A-Car	250
19	DAL Global Services, LLC	150
20	Elite Line Services, Inc.	150
21	Landmark Aviation GSO-SAN, LLC	150
22	Sky Chef, Inc. dba LSG Sky Chefs	150
23	Host International, Inc. (FSP 1)	250
24	SSP America, Inc. (FSP 3)	250
25	Smarte Carte, Inc.	150
	TOTAL REVENUE CONTRACT AUDIT HOURS	2,250 24.1%
<u>ANNUAL ONGOING AUDITS AND SUPPORT</u>		
26	Aircraft Rescue & Fire Fighting (ARFF)	150
27	Board Member Expenditures	50
28	CONRAC Fund Review	100
29	Procurement Card Program	150
30	Agreements with Expenditure Limits Not to Exceed \$100,000	100
31	Bi-Annual Airline Landing Fees	250
32	Emergency Medical Technician-Paramedic Services	80
33	San Diego Unified Port District Billing	250
	ANNUAL ONGOING AUDITS AND SUPPORT HOURS	1,130
34	Special Request Audits	798
	TOTAL ANNUAL ONGOING AUDITS AND SUPPORT HOURS	1,928 20.7%
35	QUALITY ASSESSMENT REVIEW	300 3.2%
36	ETHICS PROGRAM ACTIVITY	400 4.3%
37	CONSTRUCTION AUDIT AND MONITORING ACTIVITY	1,340 14.4%
	TOTAL HOURS	9,318 100.0%
	AVAILABLE AUDIT HOURS FROM OFFICE STAFF	9,318
	DIFFERENCE	0

**Fiscal Year 2014 Audit Plan
Audit Unit Definitions**

ATTACHMENT 2

#	Audit Unit	Explanation
<i>Business Process Audits</i>		
1	Debt Service Management	Analyze the Authority's debt service management performance, including the compliance with debt covenants and regulatory requirements.
2	Cloud Management and Performance	Evaluate internal control and performance deficiencies within the Authority, evaluate Information Technology's interface with the service provider, and the quality of and the Authority's ability to rely upon the service provider's attestations regarding internal controls.
3	Human Resources Services Performance	Evaluate the effectiveness of various HR policies and practices, evaluate service responsiveness and reliability of the HR function, analyze how well the Authority is complying with current federal, state and local laws and regulations, review internal controls for specific functional HR areas (e.g., payroll, performance management, records retention, etc.).
4	Airport Lost and Found	Review the Airport lost and found operations, including policies and procedures, inventory controls, and reporting compliance. This audit is required on a bi-annual basis by the Authority's Lost and Found Policy.
5	Timekeeping Payroll	Assess the effectiveness of accounting and administrative controls over timekeeping and payroll related processing, validated that controls over timekeeping and payroll include procedures and documents that assure the data used to generate payroll disbursements are adequate, evaluate whether the records and documentation for timekeeping and payroll related items are sufficient to establish an audit trail for all transactions involving employees' time, pay and deductions, analyze whether access to timekeeping and payroll data is controlled to maintain integrity of the data.
6	Social Media Control and Performance	Access the effectiveness of controls over the Authority's social media policies and processes, focusing on governance, policies, procedures, training and awareness functions related to social media.
<i>Expense Contract Audits</i>		
7	Bradford Airport Logistics	Review contract expenditures related operating the central receiving and distribution center, with a maximum contract amount of \$7,600,000 over a five year period.
8	Leigh Fischer & Associates	Review contract expenditures related to preparing a development plan for the next phase of airport construction, with a maximum contract amount of \$6,500,000 over a three year period.

**Fiscal Year 2014 Audit Plan
Audit Unit Definitions**

#	Audit Unit	Explanation
9	SOLPAC Construction, Inc. dba Soltek Pacific Construction Company	Review contract expenditures related to providing constructions services related to the expansion of Terminal 2 East building between Gates 24 and Gates 28, and between Gate 25 and 27, with a maximum contract amount of \$17,900,000 over a two year period.
10	Abadjis Systems, Ltd.	Review expenditures related to program management and support services for the Capital Improvement Program and major maintenance programs, with estimated maximum contract amounts of \$18,000,000 over a three year period.
11	Ace Parking Management, Inc.	Review contract expenditures related to providing parking and shuttle services at SDIA, with a maximum contract price of \$28,800,000 over a five year period.
12	Kimley-Horn and Associates, Inc.	Review expenditures related to program management and support services for the Capital Improvement Program and major maintenance programs, with estimated maximum contract amounts of \$18,000,000 over a three year period.
13	Porter Novelli, Inc.	Review contract expenditures related to providing public outreach services in support of the Terminal Development Program, Lindbergh Multimodal Transportation Plan, Regional Aviation Strategic Plan and other Authority initiatives, with a maximum contract amount of \$2,325,000.
14	AMEC Environmental and Infrastructure, Inc.	Review contract expenditures related to providing material testing, special inspection and geotechnical services for Capital Improvement Program, with estimated maximum contract amounts of \$3,500,000 over a three year.
<i>Revenue Contract Audits</i>		
15	Budget Rent A Car Systems	Review the accuracy of revenues received from a car rental company.
16	DTG Operations, Inc. dba Thrifty & Dollar	Review the accuracy of revenues received from a car rental company.
17	Nevada Lease and Rental, Inc., dba Payless Car Rental System	Review the accuracy of revenues received from a car rental company.
18	Simply Wheelz, LLC dba Advantage Rent-A-Car	Review the accuracy of revenues received from a car rental company.
19	DAL Global Services, LLC	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
20	Elite Line Services, Inc.	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.

**Fiscal Year 2014 Audit Plan
Audit Unit Definitions**

#	Audit Unit	Explanation
21	Landmark Aviation GSO-SAN, LLC	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
22	Sky Chef, Inc. dba LSG Sky Chefs	Review the accuracy of revenues received from providing in-flight catering at SDIA.
23	Host International, Inc. (FSP 1)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
24	SSP America, Inc. (FSP 3)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
25	Smarte Carte, Inc.	Review the accuracy of revenues and related expenditures for providing baggage cart rentals at SDIA.
<i>Annual Ongoing Audits & Support</i>		
26	Aircraft Rescue & Fire Fighting (ARFF) Billing	Ensure that the Authority is reimbursing the City for actual costs incurred to provide ARFF services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
27	Board Member Expenditures	Review the appropriateness of Board Member expenditures, and compliance of these expenditures with Authority policy.
28	Consolidated Rental Car Facility (CONRAC) Fund	Review CONRAC Fund for compliance with Authority policies and State regulations.
29	Procurement Card Program	Review controls related to P-cards and appropriateness of expenditures.
30	Agreements with Expenditure Limits Not to Exceed \$100,000	Review sample of expenditures of contracts that are less than \$100,000 per year.
31	Bi-Annual Airline Landing Fees	Review the accuracy of revenues for commercial and cargo airline service from all air carriers servicing SDIA.
32	Emergency Medical Technician-Paramedic Services	Ensure that the Authority only reimburses the City for the actual costs of providing the emergency medical technician-paramedic services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
33	San Diego Unified Port District Billing	Determine that payments made to the Port are reflective of the actual expenses incurred to provide those services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
34	Special Request Audits	Perform close out audits (audits of vendors that terminate operations at SDIA) and audits requested by Board Members and/or management that were not included in the audit plan.

**Fiscal Year 2014 Audit Plan
Audit Unit Definitions**

#	Audit Unit	Explanation
<i>Other Audit Activity</i>		
35	Quality Assessment Review	Management and staff time related to a quality assessment review (QAR) that will be conducted in 2014. A QAR is a comprehensive review of the overall effectiveness of an internal audit function. It assesses the compliance with professional standards, the effectiveness and efficiency of function activities, organization, resource and skill capabilities, and the evaluation and fulfillment of stakeholder needs. It also identifies strengths and improvement opportunities that strategically position the internal audit function for ongoing success.
36	Ethics Program Activity	Develop and amend ethics policies, provide training, and investigate reported incidents.
37	Construction Audit and Monitoring Activity	Perform audits of construction activities related to the Capital Improvement Program and the Terminal Development Program.

**Fiscal Year 2014 Audit Plan
Business Processes – Descending Risk Scores**

ATTACHMENT 3

Business Process	Risk Score	Estimated Hours
Debt Service Management	4.44	250
Cloud Management and Performance	4.44	300
Human Resources Services Performance	4.38	350
Timekeeping Payroll	4.25	250
Social Media Control and Performance	4.25	250
Concessionaire Vending	4.13	200
Treasury/Cash Performance and Management	4.06	300
Transportation and Traffic Services	4.06	300
Revenue and Business Development	4.06	300
Information Technology Performance	4.06	350
Procurement Management	4.00	300
Contract Management	4.00	300
Capital and Maintenance Project Selection and Planning	4.00	300
Grant Revenue Procurement and Management	3.94	250
Environmental Compliance	3.94	300
Enterprise Risk Management	3.94	350
Sustainability Management	3.88	250
Public Parking	3.88	350
Airport Security Management	3.88	300
Property Management	3.81	300
Airport Noise Management	3.81	250
Small Business Development	3.75	300
Public Communications	3.75	350
Energy Usage Performance	3.75	300
Vehicle Fleet Management	3.69	300
Restricted Fund Accountability	3.69	200
Airline Route Sales and Management	3.69	250
Organizational Performance Measures	3.63	250
Attorney General MOU on Greenhouse Gases Compliance	3.63	200
Airport Lost and Found	3.63	250
Public Records Compliance	3.56	200
Business Continuity Management	3.50	300
Budget Management and Analysis	3.50	300
Airline Services Management	3.43	300
Airport Land Use Management	3.25	300
Business and Travel Expenses	3.19	350
Special Event Management	2.63	200
		<u>10,450</u>

**Fiscal Year 2014 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Hours
Bradford Airport Logistics	4.06	200
Leigh Fisher & Associates	4.06	200
SOLPAC Construction, Inc., dba Soltek Pacific Construction Company	4.06	150
Abadjis Systems, Ltd.	4.00	200
Ace Parking Management, Inc.	4.00	250
Kimley-Horn and Associates Inc.	4.00	200
Porter Novelli Inc.	4.00	150
AMEC Environmental and Infrastructure, Inc.	3.94	150
Charles King Company, Inc.	3.94	150
Jacobs Consultancy, Inc.	3.88	150
KONE, Inc.	3.86	150
Greenhaus Inc.	3.81	150
Hatch Mott MacDonald, LLC	3.81	150
Network Security Electronics, Inc.	3.81	150
Serco Management Services, Inc.	3.81	150
Abhe & Svoboda, Inc.	3.75	150
APEX Contracting & Restoration, Inc.	3.75	150
Built Pacific, Inc.	3.75	150
G & G Specialty Contractors, Inc.	3.75	150
GRID Solar, LLC	3.75	150
Hellmuth, Obata & Kassabaum (HOK), Inc.	3.75	150
HSS, Inc.	3.75	150
RGC Construction, Inc.	3.75	150
VA Consulting, Inc.	3.75	150
C&S Engineering, Inc.	3.69	150
Hazard Construction Company	3.69	150
Ninyo & Moore Geotechnical Consultants	3.69	150
PCL Construction Services, Inc.	3.69	150
William Nicholas Bodouva + Associates	3.69	150
Merriwether and Williams Insurance Services Inc.	3.64	150
Demattei Wong Architecture, Inc.	3.63	150
Erik J. Carlson	3.63	150
Frasca & Associates Inc.	3.63	150
Kleinfelder West Inc.	3.63	150
SOS Staffing Services, dba TOPS Staffing	3.63	150
TruGreen Landcare LLC	3.63	150
Unison Contracting Inc.	3.63	150
Willis Insurance Services of California, Inc.	3.63	150
AGBW Corporation, dba BPI Plumbing	3.56	150
DFS Flooring	3.56	150
Jones Payne Group	3.56	150
McBee Strategic Consulting	3.56	150
Ocean Blue Environmental Services	3.56	150
Robert Half International	3.56	150
Verizon Wireless	3.56	150
Waste Management of San Diego	3.56	150
American Steel Builders	3.50	150

**Fiscal Year 2014 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Hours
AT&T, CALNET 2 Contract	3.50	150
Campbell-Hill Aviation Group	3.50	150
CH2M Hill	3.50	150
CompuCom Systems Inc.	3.50	150
Flatiron West, Inc.	3.50	150
Marsh Risk & Insurance Service	3.50	150
Merge Conceptual Design (Green Build Art)	3.50	150
Ricondo and Associates	3.50	150
Siemens Industry Inc.	3.50	150
Aon Consulting and Insurance Services, Inc.	3.44	150
COR Security, Inc.	3.44	150
Pacific Rim Mechanical	3.44	150
PFM Asset Management	3.44	150
San Diego Office Interiors	3.44	150
SkillStorm Commercial Services, LLC	3.44	150
Zoological Society of San Diego	3.44	150
Marsh USA Inc.	3.43	150
Airport Concessions Consultants, Inc.	3.38	150
Carter & Burgess, Inc.	3.38	150
David Brush Consulting	3.38	150
Dynamic Contracting Services, Inc.	3.38	150
Epic Pest Control	3.38	150
General Ledger Resources	3.38	150
S&L Specialty Contracting, Inc.	3.38	150
Strong Tower Construction dba Koch Corporation	3.38	150
The Vasquez Company	3.38	150
WTS, Inc.	3.38	150
Cannon Pacific Services Inc.	3.31	150
Advantage Performance Group LLC	3.31	150
All Star Productions Inc.	3.31	150
Atkins North America, Inc.	3.31	150
Fluoresco Lighting - Sign Maintenance Corp.	3.31	150
Jacobsen/Daniels Associates LLC	3.31	150
Jason Bruges Studio Limited	3.31	150
Microsoft Licensing, GP	3.31	150
MW Construction	3.31	150
TLC Staffing	3.31	150
United Storm Water Inc.	3.31	150
Zuheir Inc., dba Comprehensive Glassworks	3.31	150
Christian Moeller and Amy Landesberg Partnership	3.25	150
CPS Human Resources	3.25	150
Epoch Universal, Inc.	3.25	150
Gilbert Angundaz Concrete	3.25	150
Hawthorne Machinery Co.	3.25	150
KRS, Inc., dba Kings Glass and Screen	3.25	150
McKenna, Long & Aldridge LLP	3.25	150
Neal Electric Inc.	3.25	150

**Fiscal Year 2014 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Hours
Nolte Associates Inc.	3.25	150
Packet Telcom Solution, Inc.	3.25	150
Paul Hobson	3.25	150
Seasonal Innovations Inc. dba Greenleaf Plant Solutions	3.25	150
SIGMAnet, Inc.	3.25	150
Sun Pacific Glazing, Inc.	3.25	150
Tower Glass, Inc.	3.25	150
Westgroup Designs, Inc.	3.25	150
Wier Construction Corporation	3.21	150
Aztec Landscaping	3.19	150
Best Contracting Services	3.19	150
DuWright Construction Inc.	3.19	150
Endless Summer Heating and Cooling, Inc.	3.19	150
Granite Construction Company	3.19	150
GTSI dba Government Technology Service Inc.	3.19	150
Helix Mechanical, Inc.	3.19	150
Koch-Armstrong General Engineering, Inc.	3.19	150
PC Specialists, Inc. dba Technology Integration Group (TIG)	3.19	150
RJC Architects, Inc.	3.19	150
Visionary Painting Services Corporation	3.19	150
Western Bay Sheet Metal, Inc.	3.19	150
Windco Painting Inc.	3.19	150
Wirtz Quality Installations, Inc.	3.19	150
Xtreme Floor Covering Specialists Inc.	3.19	150
The Bernard Johnson Group, Inc.	3.17	150
A Good Roofer, Inc.	3.13	150
Alliant Insurance Services, Inc.	3.13	150
EHMCKE Sheet Metal	3.13	150
Inland Flooring Contractors, Inc.	3.13	150
J.P. Witherow Roofing Company, Inc.	3.13	150
Laser Electric Inc.	3.13	150
Research Horizons LLC, dba Phoenix Marketing International	3.13	150
Sato Services LLC (Green Build Art)	3.13	150
Sheryl Oring	3.13	150
Simon Wong Engineering, Inc.	3.13	150
SITA Information Networking Computing USA	3.13	150
Tabizi Incorporated dba Raider Painting Company	3.13	150
Vector Resources, Inc.	3.13	150
Bruel & Kjeear EMS	3.07	150
Creative Nerve	3.06	150
DIIO, LLC formally Aviation Data Group, LLC	3.06	150
Ensley Electric, Inc.	3.06	150
Miki Iwasaki dba MI-Workshop	3.06	150
Phillips Painting, Inc.	3.06	150
Roger Buma	3.06	150
U.S. Bank National Association	3.06	150
Aircraft Service International, Inc.	3.00	150

**Fiscal Year 2014 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Hours
Anton's Service, Inc.	3.00	150
Aurora Industrial Hygiene, Inc.	3.00	150
Barney & Barney, LLC	3.00	150
CDM Smith, Inc.	3.00	150
Ted Sexton Consulting	3.00	150
UniFirst Corporation	3.00	150
All County Fire, Inc.	2.94	150
COLAB Studio LLC (Green Build Art)	2.94	150
IXL, LLC	2.94	150
Loren Smith Productions	2.94	150
Meyers Nave	2.94	150
Paul Plevin Sullivan & Connaughton LLP	2.94	150
Slayton Mechanical Contractors Inc.	2.94	150
Gatzke, Dillon & Balance LLP	2.93	150
Allsup Corporation	2.88	150
Ameri-Mex Plumbing Inc.	2.88	150
Idea Integration Corp. dba Idea	2.88	150
Manatt, Phelps & Phillips LLP	2.88	150
Planetbids, Inc.	2.88	150
Best, Best Krieger LLP	2.81	150
Morrison & Foerster LLP	2.81	150
Accurate Engineering ICS, Inc.	2.75	150
JRM Consultants & Investigations Company	2.75	150
United States Department of Agriculture	2.75	150
Are & R Plumbing Inc.	2.69	150
Calderon Builders, Inc.	2.69	150
Drain Medic Plumbing	2.69	150
LCP Tracker, Inc.	2.69	150
Quateman LLP	2.64	150
Kutak Rock LLP	2.63	150
Living Lenses (Green Build Art)	2.56	150
Sadler Electric, Inc.	2.56	150
Stuart Keeler (Green Build Art)	2.25	150
		<u>26,400</u>

**Fiscal Year 2014 Audit Plan
Car Rental Contracts – Descending Risk Scores**

ATTACHMENT 5

Company	Risk Score	Hours
Budget Rent A Car Systems	4.5	250
DTG Operations Inc dba Thrifty & Dollar	4.5	300
Nevada Lease and Rental Inc dba Payless Car Rental System	4.0	250
Simply Wheelz LLC dba Advantage Rent-A-Car	4.0	250
Pneuma Enterprises Inc. dba TravCar	3.6	150
Avis Rent A Car Systems LLC	3.5	300
Enterprise Rent A Car Company of Los Angeles	3.5	400
Fox Rent A Car	3.5	300
Gitibin dba Go Rental	3.5	150
The Hertz Corporation	3.5	300
EZ Rent A Car	3.0	150
Midway Rent A Car, Inc.	3.0	250
RLZ Corporation dba Pacific Rent-A-Car	3.0	150
South CA A1 Car Rental dba A1 Rent a Car	3.0	150
		<u>3,350</u>

**Fiscal Year 2014 Audit Plan
Other Lease and Concession Contracts –
Descending Risk Scores**

ATTACHMENT 6

Company	Risk Score	Hours
Landmark Aviation GSO-SAN, LLC	5.0	150
ABX Air Inc.	4.5	150
Aircraft Services International Inc.	4.5	150
DAL Global Services LLC	4.5	150
Elite Line Services Inc.	4.5	150
High Flying Foods San Diego (FSP 7)	4.5	250
Host International Inc. (FSP 1)	4.5	250
Hudson Group - CV - Epicure - Martinez San Diego (RP 2)	4.5	250
Smarte Carte Inc.	4.5	250
SSP America Inc. (FSP 3)	4.5	250
Advanced Wireless Group LLC	4.0	150
Airport Terminal Services Inc.	4.0	150
Bank of America NA a National Banking Association	4.0	300
Cargo Airport Services USA LLC	4.0	150
Duty Free Americans San Diego LLC	4.0	250
Flying Food Group LLC	4.0	150
Integrated Airline Services Inc.	4.0	150
New Zoom Inc. dba ZoomSystems (RP 6)	4.0	250
Paradies - San Diego LLC (RP1)	4.0	250
Primeflight Aviation Services	4.0	150
San Diego Air and Space Technology	4.0	150
Sky Chef Inc. dba LSG Sky Chefs	4.0	150
Stellar Partners Inc. (RP 4)	4.0	250
US Aviation Services	4.0	250
US General Services Administration	4.0	250
ABM Services dba OneSource	3.5	150
Airline & Others (Ogden Aviation)	3.5	150
Aviation Port Services	3.5	150
Certified Aviation Services LLC	3.5	150
Certified Folder Display Services Inc.	3.5	150
Cloud 9 Wireless Inc.	3.5	150
GAT Airline Ground Support Inc.	3.5	150
Gate Gourmet Inc.	3.5	150
GGTW	3.5	150
Ground Equipment Services	3.5	150
Injai Corporation dba Stevie's Catering	3.5	150
Jaroth, Inc. dba Pacific Telemanagement Services	3.5	150
JCDecaux, Inc.	3.5	150
Jetstream Ground Services Inc.	3.5	150
Matrix Aviation Services Inc.	3.5	150
San Diego Convention Center	3.5	150
SCIS Air Security Corporation	3.5	150
Security Point Media LLC	3.5	150
SLB, Inc dba Goodfellows Shoeshine	3.5	150
Travelex America	3.5	150
Accufleet International	3.0	150

**Fiscal Year 2014 Audit Plan
Other Lease and Concession Contracts –
Descending Risk Scores**

ATTACHMENT 6

Company	Risk Score	Hours
Air Transport International, LLC	3.0	150
Arinwine Aircraft Maintenance LLC dba F&E Aircraft	3.0	150
Bags of California, LLC	3.0	150
Clean Before Flight Inc.	3.0	150
Gate Safe	3.0	150
Hallmark Aviation Services	3.0	150
High Flying Foods San Diego (FSP 8)	3.0	300
Host International Inc. (FSP 2)	3.0	250
Hudson Group, Concourse Ventures Inc., Epicure and Martinez SD JV (RP 7)	3.0	250
Immaculate Flight Inc.	3.0	150
Irvine Leasing dba Rainbow Concessions	3.0	150
Isaac's Bakery Deli Inc.	3.0	250
Jet Wash Inc.	3.0	150
LGSTX Services Inc.	3.0	150
Master Lightning Security Services	3.0	150
Mission Yogurt Inc. (FSP 4)	3.0	250
Moody's Lunch Services	3.0	150
Pacific Aircraft Maintenance	3.0	150
Pacific Gateway Concessions and Procurement Concepts SD LLC (RP 3)	3.0	250
Project Horizon Inc. (RP 8)	3.0	250
RAC & Associates dba SpecialCare	3.0	150
Spa Didacus Inc. (RP 5)	3.0	250
SSP America Inc. (FSP 5)	3.0	250
SSP America Inc. (FSP 6R)	3.0	250
Swissport Lounge LLC	3.0	250
Traveler's Aid Society of San Diego	3.0	150
		<u>13,200</u>

San Diego County Regional Airport Authority

Fiscal Year 2014

**Proposed Audit Plan of the
Office of the Chief Auditor**

July 1, 2013, through June 30, 2014



Development of Audit Plan

The risk assessment methodology utilized by the OCA to construct the Fiscal Year 2014 Audit Plan is a five-part process consisting of:

- Developing the risk assessment model;
- Understanding department activities;
- Scoring the processes and business activity risks;
- Ranking the auditable areas; and,
- Developing the audit plan.



Development of Audit Plan (cont.)

- We inventoried Authority activities and segregate each audit unit into four categories:
 - ✓ Annual Ongoing Audits and Support
 - ✓ Internal Business Process Audits
 - ✓ Expense Contract Audits
 - ✓ Revenue Contract Audits
- Estimated audit hours were then assigned to each auditable unit.
- Audit unit's risks were scored using the impact and probability criteria.
- Audit units were then ranked within each category based on the auditable unit's risk score.



Development of Audit Plan (cont.)

- We then estimated the amount of time each audit staff member would have to devote to audit projects to determine staff time available.
- Lastly, the Fiscal Year 2014 Audit Plan was developed based on the available resources and risk scores (See Attachment 1).
- Expense contracts account for 31.5% of total expenses and revenue contracts account for 21.6% of total revenues over a 12-month period.



Questions

