



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
15**

Meeting Date: **SEPTEMBER 6, 2012**

Subject:

Fiscal Year 2012 – Annual Report from the Audit Committee

Recommendation:

The Audit Committee recommends that the Board receive the report.

Background/Justification:

Authority Policy Section 1.50 (5)(c)(iv) established the Audit Committee and its roles and responsibilities. The Board approved the Charter of the Audit and Performance Monitoring Committee on October 2, 2003. In accordance with the Charter, a report on how the Committee discharged its duties and met its responsibilities is to be provided to the Board annually.

During its August 20, 2012, meeting, the Audit Committee reviewed its Fiscal Year 2012 Annual Report (Attachment A) and voted unanimously to forward the report to the Board for information.

Fiscal Impact:

None

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:

1. This Board action, as an administrative 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. §15378. This Board action is not a "project" subject to CEQA, Cal. Pub. Res. Code §21065.

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2. This Board action is not a "development" as defined by the California Coastal Act.
Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable

Prepared by:

MARK A. BURCHYETT
CHIEF AUDITOR



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: August 20, 2012
To: San Diego County Regional Airport Authority Board Members
Cc: Thella F. Bowens, President/CEO
From: The Audit Committee
Subject: Annual Report of the Audit Committee for Fiscal Year 2012

In accordance with the Charter of the Audit Committee, a report on the accomplishments of the Committee is herein submitted for the period July 1, 2011, through June 30, 2012. The Audit Committee's function, composition, and oversight responsibilities are outlined in Authority Policy Section No. 1.50 (5)(c)(ii).

The Audit Committee convened five times during FY12. The meeting minutes for these public sessions are on file with the Clerk of the Board.

- August 5, 2011 (Special Meeting – Interviewed candidates for Public Member vacancy)
- August 29, 2011
- November 14, 2011
- February 6, 2012 (Joint with Terminal Development Program Committee)
- March 26, 2012 (Special Meeting – Amendment to McGladrey & Pullen contract)
- May 7, 2012

The following list of reports issued by the Authority Finance Department and by the external auditor, McGladrey & Pullen, LLP, were reviewed and approved by the Audit Committee.

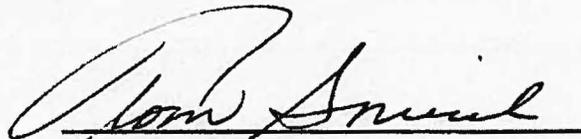
- McGladrey & Pullen's audit plan, report on independence, and report on quality controls
- Letter to the Audit Committee on the audited financial statements as of June 30, 2011
- Audited financial statements for the Authority's fiscal year ended June 30, 2011
- Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011
- Single audit report and Passenger Facility Charge (PFC) Compliance Report for the fiscal year ended June 30, 2011
- Customer Facility Charge (CFC) Compliance Report for the Fiscal Year Ended June 30, 2011

The Audit Committee reviewed and received as information, or approved, the following reports and presentations submitted by the Office of the Chief Auditor (OCA), as well as monitored the progress of internal activities of the Office.

- Fiscal Year 2011 OCA Annual Report
- Fiscal Year 2011 Quarterly Reports and corresponding audit recommendations
- Audit Reports issued by the Office of the Chief Auditor during FY11:
- Recommendations issued by the Office of the Chief Auditor during FY11:
- FY13 Audit Plan and budget for the Office of the Chief Auditor
- Monthly reports from the OCA, including audits in progress and recommendations awaiting implementation
- The Green Build construction audit activities
- Ethics Hotline updates
- Public Employee Performance Evaluation Goal Setting for FY12

Additionally, during fiscal year 2010, the resignation of one of the Audit Committee Public Members warranted interviewing candidates to fill the vacancy. On August 5, 2011, a Special Meeting of the Committee was held for this purpose. Mr. Andy Hollingworth was selected as a new Public Member and is currently serving on the Audit Committee.

The Audit Committee is committed to maintaining a discerning role in executing its duties, and will earnestly continue to do so in the year ahead.



Tom Smisek
Audit Committee Chair