



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

Item No.

**7**

Meeting Date: **OCTOBER 6, 2011**

**Subject:**

**Fiscal Year 2011 – Annual Report from the Audit Committee**

**Recommendation:**

The Audit Committee recommends that the Board accept 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 29, 2011, meeting, the Audit Committee conferred on the attached report and a motion to forward it to the Board was unanimous. The 2011 annual report of the Audit Committee is presented here as Attachment A.

**Fiscal Impact:**

Not applicable.

**Authority Strategies:**

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

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

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**Environmental Review:**

- A. 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.
- B. 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

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# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Communication

**Date:** August 29, 2011  
**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 2011

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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, 2010, through June 30, 2011. 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 FY11. The meeting minutes for these public sessions are on file with the Clerk of the Board.

- August 30, 2010
- November 15, 2010
- February 7, 2011
- May 9, 2011
- June 20, 2011 (Special Meeting)

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
- Audited financial statements for the Authority's fiscal year ended June 30, 2010
- Letter to the Audit Committee on the audited financial statements as of June 30, 2010
- Single audit report and Passenger Facility Charge (PFC) Compliance Report for the fiscal year ended June 30, 2010
- Schedule of Customer Facility Charge (CFC) Collections and Expenditures for the Fiscal Year Ended June 30, 2010
- Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010

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 2010 OCA Annual Report
- Fiscal Year 2010 Quarterly Reports and corresponding audit recommendations
- Audit Reports issued by the Office of the Chief Auditor during FY11: 31
- Recommendations issued by the Office of the Chief Auditor during FY11: 21
- FY12 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 FY11

Additionally, with the resignation of one of the Audit Committee Public Members during the fiscal year, the Committee interviewed public member candidates for a replacement on June 20, 2011. A second meeting to screen candidates for a new Public Member took place on August 5, 2011.

The Audit Committee is dedicated to maintaining an independent and thorough role in executing its duties, and will earnestly continue to do so.



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Tom Smisek  
Audit Committee Chair