

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AUDIT COMMITTEE MINUTES
MONDAY, AUGUST 17, 2015
BOARD ROOM**

CALL TO ORDER:

Chair Robinson called the regular meeting of the Audit Committee to order at 10:02 a.m., on Monday, August 17, 2015, 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, Hubbs, Robinson, Sessom, Van Sambeek
Board Members: Janney

ABSENT: Committee Members: Hollingworth, Tartre

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel;
Lorraine Bennett, Assistant Authority Clerk II; Linda Gehlken, Assistant
Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 4, 2015, regular meeting.

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

**2. REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDED
JUNE 30, 2015:**

David M. Coleman, Partner, BKD, LLP, CPAs & Advisors, provided a presentation on the Financial and Compliance Audit for the Fiscal Year Ended June 30, 2015, which included an Overview, Planned Scope, Planned Timing, Approach to Planning, Revisions to Professional Standards, Consideration of Errors or Fraud, Contacts, and Client Service Culture.

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 Board Member Hubbs to approve staff's recommendation. Motion carried unanimously, noting Committee Members Hollingworth and Tartre as ABSENT.

Chair Robinson announced that Item 4 would be taken out of order.

4. FISCAL YEAR 2015 ANNUAL AUDIT ACTIVITIES REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:

Fred Bolger, Manager, Audit Services, provided a presentation on the Fiscal Year 2015 Annual Audit Activities Report from the Office of the Chief Auditor which included Audit Activities; Audits in Progress as of June 30, 2015; Recommendation Follow-up; Fiscal Year 2015 Performance Measure Outcomes; and Summary of Ethics Inquiries.

Board Member Gleason recommended that the reporting of implementation percentages for recommendations be provided six months prior to the year-end report. He stated that over half of the audits are issued in the last half of the year, and he suggested that staff look at ways to better manage the timing of audit report issuance.

In response to Board Member Sessom regarding reports received about United Way, Christy Carlson, Sr. Auditor, stated that the complaints received from employees are not Ethics issues, but a variety of complaints related to the United Way campaign.

Board Member Sessom requested that in the future the information be highlighted as not being an Ethics issue.

Thella F. Bowens, President/CEO, stated that staff performs follow-ups to inquiries regarding United Way, and that each year staff looks at how the United Way program is being administered at the Authority.

Chair Robinson expressed concerns about calling this an ethics investigation, and he suggested that reports received that are not an Ethics issue be marked with an asterisk.

In response to the concerns expressed by Board Member Robinson, Board Member Gleason suggested that staff look at renaming the column for reports on Ethics Concerns.

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 Board Member Sessom and seconded by Board Member Gleason to approve staff's recommendation. Motion carried unanimously, noting Committee Members Hollingworth and Tartre as ABSENT.

3. **FISCAL YEAR 2015 ANNUAL REPORT FROM THE AUDIT COMMITTEE:**
Chair Robinson provided an overview of the Fiscal Year 2015 Annual Report from the Audit Committee.

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

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

5. **CONSTRUCTION AUDIT STATUS REPORT:**
Callie Ullman, Senior Auditor, provided a presentation titled Construction Audit Status Report that included Ongoing Green Build Audit Activities; Ongoing Rental Car Center Audit Activities; and Ongoing General Construction Audit Activities.

Chair Robinson requested, with the consensus of the Committee, to forward this item to the Board for information.

RECOMMENDATION: Information item only.

NON-AGENDA PUBLIC COMMENT: None

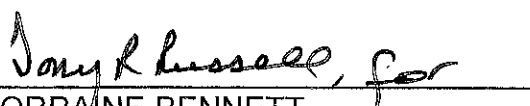
COMMITTEE MEMBER COMMENTS: None

ADJOURNMENT: The meeting was adjourned at 10:29 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY THIS 7th DAY OF DECEMBER, 2015.


MARK A. BURCHYETT
CHIEF AUDITOR

ATTEST:


LORRAINE BENNETT
ASSISTANT AUTHORITY CLERK II