

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AUDIT COMMITTEE MINUTES
MONDAY, AUGUST 19, 2013
BOARD ROOM**

CALL TO ORDER:

Chair Smisek called the meeting of the Audit Committee to order at 10:03 a.m., on Monday, August 19, 2013, 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, Sessom, Smisek, Van Sambeek
 Board Members: Boland

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, Authority
 Clerk I

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 13, 2013, regular meeting.

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

2. FISCAL YEAR 2013 – ANNUAL REPORT FROM THE AUDIT COMMITTEE:

Chair Smisek provided an overview of the Fiscal Year 2013 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 Gleason and seconded by Committee Member Van Sambeek to approve staff's recommendation. Motion carried unanimously, noting Committee Members Hollingworth and Tartre as ABSENT.

3. FISCAL YEAR 2013 – ANNUAL AUDIT ACTIVITIES REPORT FROM THE OFFICE OF THE CHIEF AUDITOR, AND AUDIT RECOMMENDATIONS FROM THE OFFICE OF THE CHIEF AUDITOR FOR REVIEW:

Mark A. Burchyett, Chief Auditor, provided a presentation on the Fiscal Year 2013 Annual Audit Activities Report from the Office of the Chief Auditor (OCA) that included Audit Activities; Audits in Progress; Recommendation Follow-up; Fiscal Year 2013 Performance Measure Outcomes; and Non-Audit Activities and On-Going Activities.

In response to Chair Smisek regarding how non-accepted recommendations are handled, Mr. Burchyett stated that in the future, staff could provide a memorandum to the Committee, in addition to the OCA recommendations list that shows items that are not accepted by the auditees.

Board Member Gleason recommended that management, instead, should provide the feedback directly to the Audit Committee on the recommendations that they do not accept.

In response to Board Member Hubbs regarding the status of the Life Cycle Management Study associated with the Energy Use Performance Study, Board Member Gleason suggested that the subject be included in the annual update to the Board.

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

4. CONSTRUCTION AUDIT STATUS REPORT:

Callie Ullman, Senior Auditor provided a Construction Audit update which included R.W. Block Consulting Task Authorization #4 – Draft Report on Funding Compliance; and Office of the Chief Auditor – AECOM Expenditures and Performance Audit/Close-out Audits of Kiewit/Sundt & Turner/PCL/Flatiron.

RECOMMENDATION: Information item only.

ACTION: No action taken.

5. REVISION TO THE FISCAL YEAR 2014 AUDIT PLAN:

Mark A. Burchyett, Chief Auditor, provided a report on the revisions made to the Fiscal Year 2014 Audit Plan of the Office of the Chief Auditor.

In response to Board Member Hubbs regarding how the OCA is working with management to prepare for the handling of audits related to new concessions, Mr. Burchyett stated that OCA staff is working in collaboration with AVCOM and General Counsel to determine best practice in this area.

Board Member Hubbs suggested that the same methods for handling audits related to new concessions be implemented with the Rental Car Center facility project.

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.

CLOSED SESSION: None

REPORT ON CLOSED SESSION: None

COMMITTEE MEMBER COMMENTS: Board Member Gleason recommended that OCA staff plan an item on future meeting agendas to the Board for relating their closing work on construction audits.

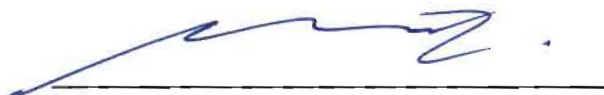
ADJOURNMENT: The meeting was adjourned at 10:36 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 18th DAY OF NOVEMBER, 2013.



MARK A. BURCHYETT
CHIEF AUDITOR

ATTEST:



LORRAINE BENNETT
ASSISTANT AUTHORITY CLERK II