



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
AUDIT COMMITTEE

Item No.
2

Meeting Date: **AUGUST 19, 2013**

Subject:

Fiscal Year 2013 – Annual Report From The Audit Committee

Recommendation:

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

Background/Justification:

Authority Policy Article 1, adopted by Resolution No. 2002-2 dated November 25, 2002, established the administration and governance of the San Diego Regional County Airport Authority. Policy Section 1.50 (5)(c)(iv) outlines the Audit Committee's roles, responsibilities, and practices.

On October 2, 2003, the Board approved the Charter of the Audit Committee (previously titled the Audit and Performance Monitoring Committee).

In accordance with the Audit Committee Charter and the oversight responsibilities outlined in Authority Policy Section No. 1.50 (5)(c)(ii), the Committee annually provides to the Board a report on how it discharged its duties and met its responsibilities.

The 2013 Annual Report of the Audit Committee, covering the period July 1, 2012, through June 30, 2013, is hereby presented as Attachment A.

Fiscal Impact:

None

Authority Strategies:

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

- | | | | | |
|--|--|--|--|---|
| <input checked="" type="checkbox"/> Community Strategy | <input type="checkbox"/> Customer Strategy | <input type="checkbox"/> Employee Strategy | <input checked="" type="checkbox"/> Financial Strategy | <input checked="" type="checkbox"/> Operations Strategy |
|--|--|--|--|---|

Environmental Review:

- A. CEQA: 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. California Coastal Act Review: 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 19, 2013
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 2013

In adherence to the Charter of the Audit Committee guidelines, a report on the accomplishments of the Committee is herein submitted for the period July 1, 2012, through June 30, 2013.

The Audit Committee's function, composition, and oversight responsibilities are outlined in Authority Policy Section No. 1.50 (5)(c)(ii). Defining the Role of the Committee, Policy specifies that:

"The Audit Committee shall serve as a guardian of the public trust, acting independently and charged with oversight responsibilities for reviewing the Authority's internal controls, financial reporting obligations, operating efficiencies, ethical behavior, and regular attention to cash flows, capital expenditures, regulatory compliance, and operations."

The Audit Committee convened four times during FY13. The meeting minutes for these public sessions are on file with the Clerk of the Board and can also be found at <http://www.san.org> under Airport Authority/Board Members/Meetings and Agendas.

- ✓ August 20, 2012
- ✓ November 19, 2012
- ✓ February 4, 2013
- ✓ May 13, 2013

The following list of reports issued by the Authority's Finance Department and prepared by the external auditor, McGladrey & Pullen, LLP, for the Fiscal Year Ended June 30, 2012, were reviewed and approved by the Audit Committee during its November 19, 2012, meeting.

- Audited Financial Statements
- Compliance (single audit) Report
- Passenger Facility Charge (PFC) Compliance Report
- Customer Facility Charge (CFC) Compliance Report
- Report to the Audit Committee
- Comprehensive Annual Financial Report (CAFR)

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 OCA.

- Fiscal Year 2012 OCA Annual Report
- Fiscal Year 2013 Quarterly Reports and corresponding audit recommendations
- Audit Reports issued by the Office of the Chief Auditor during FY13, totaling 34
- Recommendations issued by the Office of the Chief Auditor during FY13, totaling 31
- FY14 Audit Plan and Proposed Budget for the Office of the Chief Auditor
- Monthly reports from the OCA, including audits in progress and recommendations awaiting implementation
- Green Build Construction Audit
- Ethics Program and confidential Hotline
- Public Employee Performance Evaluation Goal Setting for Chief Auditor – FY13

Additionally, during the fiscal year, appointed terms for Public Members Jack Van Sambeek and Andrew Hollingworth expired. Both members were reappointed to serve three-year terms, as approved by the Board, with term expirations of June 2015 and June 2016, respectively.

Tom Smisek
Audit Committee Chair

Date