

**SAN DIEGO COUNTY REGINAL AIRPORT AUTHORITY
AUDIT COMMITTEE MEETING MINUTES
MONDAY, MAY 2, 2016
BOARD ROOM**

CALL TO ORDER: Chair Robinson called the regular meeting of the Audit Committee to order at 10:00 a.m., on Monday, May 2, 2016, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Committee Member Hollingworth led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Committee Members: Gleason, Hollingworth, Robinson, Sessom, Tartre,
Van Sambeek

Board Members: Janney

ABSENT: Committee Members: Hubbs

ALSO PRESENT: Thella F. Bowens, President/CEO; Lee Kaminetz, Senior Attorney; Tony Russell, Director, Corporate and Information Governance/Authority Clerk; Dawn D'Acquisto, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the February 1, 2016, regular meeting.

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

2. REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2016:

David M. Coleman, Partner, BKD, LLP, provided a presentation on the Financial and Compliance Audit for the Fiscal Year Ended June 30, 2016, which included an Overview, Planned Scope, Planned Timing, Approach to Planning, Revisions to Professional Standards, and Consideration of Errors or Fraud.

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 Committee Member Tarte to approve staff's recommendation. Motion carried unanimously, noting Board Member Hubbs as ABSENT.

3. **FISCAL YEAR 2016 THIRD QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
Fred Bolger, Manager, Audit Services, provided a presentation on the Fiscal Year 2016 Third Quarter Activities Report and Audit Recommendations Issued by the Office of the Chief Auditor, which included Audit Activities, Recommendation Follow-Up, Performance Measures, and Summary of Ethics Inquiries.

Board Member Sessom requested that the performance measures on additional revenue/cost savings identified through audits be expanded to include previous years.

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

4. **FISCAL YEAR 2017 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
Mark A. Burchyett, Chief Auditor, provided a presentation on the Fiscal Year 2017 Proposed Audit Plan of the Office of the Chief Auditor, which included Risk Assessment Methodology, Audit Activities, Fiscal Year Audit Coverage, Audit Resources, Audit Hours, Annual Ongoing Audits and Support, and Audit Hours Summary.

Board Member Sessom recommended revising the language in Attachment 2, Item Number 39, to state that staff reviews ethics policies for potential amendments.

RECOMMENDATION: Staff recommends that the Audit Committee accept the proposed audit plan and forward it to the Board for approval.

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

5. FISCAL YEAR 2017 PROPOSED BUDGET OF THE OFFICE OF THE CHIEF AUDITOR AND FISCAL YEAR 2018 PROPOSED CONCEPTUAL BUDGET EXPENSE SUMMARY:

Mark A. Burchyett, Chief Auditor, provided a presentation on the Fiscal Year 2017 Proposed Budget of the Office of the Chief Auditor and Fiscal Year 2018 Proposed Conceptual Budget Expense Summary.

RECOMMENDATION: Staff recommends that the Audit Committee accept the proposed budget and forward it to the Board as part of the Authority's Fiscal Year 2017 Budget process for approval.

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

6. REVISION TO THE FISCAL YEAR 2016 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

Fred Bolger, Manager, Audit Services, provided an overview of the requested revision to the Audit Plan, stating that staff is requesting to remove the Environmental Compliance audit from Fiscal Year 2016 and that it be added to the Fiscal Year 2017 Audit Plan.

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 Board Member Hubbs as ABSENT.

CLOSED SESSION: The Committee recessed into Closed Session at 10:44 a.m. to discuss Item 7.

7. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

(Government Code Section 54957)

Title: Chief Auditor

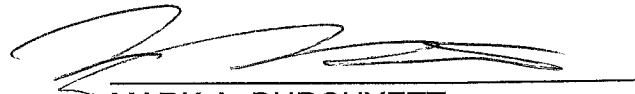
REPORT ON CLOSED SESSION: The Committee reconvened into Open Session at 11:19 a.m. There was no reportable action.

NON-AGENDA PUBLIC COMMENT: None.

COMMITTEE MEMBER COMMENTS: None.

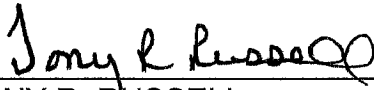
ADJOURNMENT: The meeting was adjourned at 11:20 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY THIS 6th DAY OF SEPTEMBER, 2016.



MARK A. BURCHYETT
CHIEF AUDITOR

ATTEST:



TONY R. RUSSELL
DIRECTOR OF CORPORATE & INFORMATION
GOVERNANCE/AUTHORITY CLERK