

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
AUDIT COMMITTEE MEETING  
MINUTES  
MONDAY, NOVEMBER 5, 2018  
BOARD ROOM**

**CALL TO ORDER:** Chair Robinson called the Audit Committee Meeting to order at 10:00 a.m., on Monday, November 5, 2018, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

**PLEDGE OF ALLEGIANCE:** Chair Robinson led the Pledge of Allegiance.

**ROLL CALL:**

Present: Committee Members: Hollingworth, Lloyd, Robinson (Chair), Schiavoni, Tartre, Van Sambeek, West

Absent: Committee Members: None

Also Present: Angela Shafer Payne, Vice President Operations/COO; Amy Gonzalez, General Counsel; Linda Gehlken, Assistant Authority Clerk I; Martha Morales, Assistant Authority Clerk I

**NEW BUSINESS:**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the September 10, 2018, regular meeting.

**ACTION: Moved by Board Member West and seconded by Committee Member Hollingworth to approve staff's recommendation. Motion carried unanimously.**

**2. EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2018, REPORTS:  
A) AUDITED FINANCIAL STATEMENTS, B) SINGLE AUDIT REPORTS,  
C) PASSENGER FACILITY CHARGE COMPLIANCE REPORT,  
D) CUSTOMER FACILITY CHARGE COMPLIANCE REPORT, AND  
E) LETTER TO THE BOARD:**

David Coleman and Andrew Sherwood, BKD, LLP, provided a presentation on the Annual Audit – Year Ended June 30, 2018, which included 2018 Highlights, Future Change in Accounting Principles, Assets and Deferred Outflows Composition Trends, Liabilities and Deferred Inflows Composition Trends, Total Revenues and Capital Contributions Composition for the Year Ended June 30, 2018, Total Revenues and Capital Contributions Trends, Expense Composition for the Year Ended June 30, 2018, Expense Trends, and Other Relevant Trends.

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board with a recommendation for acceptance.

**ACTION: Moved by Board Member West and seconded by Committee Member Tartre to approve staff's recommendation. Motion carried unanimously.**

**3. REVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2018:**

David Coleman, BKD, LLP, provided an overview of the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2018.

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board with a recommendation for acceptance.

**ACTION: Moved by Committee Member Van Sambeek and seconded by Board Member West to approve staff's recommendation. Motion carried unanimously.**

**4. FISCAL YEAR 2019 FIRST QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**

Lee Parravano, Chief Auditor, and Fred Bolger, Manager, Audit Services, provided a presentation on the Fiscal Year 2019 First Quarter Activities Report and Audit Recommendations, which included Audit Activities, Audits in Progress as of September 30, 2018, Recommendation Follow-Up, Status of Recommendations with Estimated Implementation Timeframe, Fiscal Year 2019 Performance Measures, and Summary of Ethics Inquiries.

Committee Member Tartre requested that recommendations that have reached eighteen months to two years without implementation, and are included in the Recommendations with Estimated Implementation Timeframe report, be highlighted for discussion at future meetings.

RECOMMENDATION: Staff recommends that the Audit Committee forward this item to the Board with a recommendation for acceptance, and provide, if necessary, direction to staff on audit recommendations.

**ACTION: Moved by Committee Member Van Sambeek and seconded by Board Member West to approve staff's recommendation. Motion carried unanimously.**

**5. SELECTION OF AN INDEPENDENT ASSESSOR TO PERFORM A QUALITY ASSESSMENT REVIEW OF THE OFFICE OF THE CHIEF AUDITOR:**

Lee Parravano, Chief Auditor, provided a presentation on the selection of an Independent Assessor to perform a Quality Assessment Review (QAR) of the Office of the Chief Auditor, which included Purpose of QAR, QAR Requirement, Prior QARs, Association of Local Government Auditors (ALGA) Qualifications, and QAR Costs and Commitment.

RECOMMENDATION: Provide direction to staff.

There was consensus by the Committee to support staff's recommendation to use ALGA to perform a Quality Assessment Review.

**NON-AGENDA PUBLIC COMMENT:** None

**COMMITTEE MEMBER COMMENTS:** None

**ADJOURNMENT:** The meeting adjourned at 10:55 a.m.

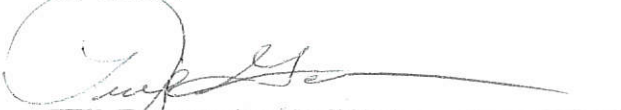
APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 11<sup>th</sup> DAY OF FEBRUARY, 2019.



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LEE PARRAVANO  
CHIEF AUDITOR

ATTEST:



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LINDA GEHLKEN  
ASSISTANT AUTHORITY CLERK I