



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
9**

Meeting Date: OCTOBER 6, 2011

Subject:

Revision to the Fiscal Year 2012 Audit Plan of the Office of the Chief Auditor

Recommendation:

The Audit Committee recommends that the Board accept the audit plan.

Background/Justification:

The Office of the Chief Auditor's (OCA) Annual Audit Plan for Fiscal Year 2012 was approved by the Audit Committee during its May 9, 2011, meeting.

Pursuant to Section 4 and Section 5 of the Charter of the Office of the Chief Auditor, amendments for unplanned and special request audits may be performed after review and consultation with the Audit Committee.

The Fiscal Year 2012 Audit Plan requires a revision due to circumstances identifying the addition, or the deletion, of the following list of projects or vendors:

Add: Lifecycle of Contracts

Remove: S&L Specialty Contracting Inc.

During the August 29, 2011, Audit Committee Meeting the Chief Auditor informed the Committee that by performing an audit of S&L Specialty Contracting, Inc. a duplication of auditing effort would result. Specifically, S&L Specialty Contracting, Inc. is a vendor for the Quieter Home Program (QHP), and it had been determined during a recent audit of QHP that very good processes were in place, mitigating risk, and decreasing the value in conducting the audit of S&L.

To observe prudent use of audit hours, the OCA requested of the Audit Committee that S&L Specialty Contracting be removed from the audit plan and that an audit of the Lifecycle of Contracts be added.

It had been brought to the OCAs attention that the process for reviewing and approving contracts is often problematic, and therefore, adding a performance audit of the Lifecycle of Contracts to the FY12 Audit Plan bears value and can shed light on areas worthy of consideration.

The Audit Committee unanimously recommended forwarding the Audit Plan to the Board for acceptance. The revised Fiscal Year 2012 Audit Plan is presented in Attachment A.

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Fiscal Impact:

None

Authority Strategies:

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

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. 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. 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:

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CHIEF AUDITOR

**San Diego County Regional Airport Authority
Office of the Chief Auditor
FY 2012 Audit Plan
Revised 8-29-11**

ATTACHMENT A

BUSINESS PROCESS AUDITS

Public Parking
Passenger Baggage Delivery
Capital and Maintenance Project Selection and Planning
Airport Lost and Found
Vehicle Fleet Management
Lifecycle of Contracts

EXPENSE CONTRACT AUDITS

HSS, Inc.
Jones Payne Group
Pacific Rim Mechanical
William Nicholas Bodouva + Associates
Mactec Engineering and Consulting
Marsh Risk & Insurance Service
~~S&L Specialty Contracting, Inc.~~
Sadler Electric, Inc.
Strong Tower Construction dba Koch Corporation
WTS, Inc.
Slayton Mechanical Contractors Inc.

REVENUE CONTRACT AUDITS

The Hertz Corporation
DTG Operations Inc. dba Thrifty & Dollar
Newport Beach Sales & Leasing Inc. dba Budget Rent A Car Systems
Nevada Lease and Rental Inc. dba Payless Car Rental System
Lindbergh Parking
Airline Revenues
Host International Inc.
Smarte Carte

ANNUAL ONGOING AUDITS AND SUPPORT

Aircraft Rescue & Fire Fighting (ARFF) Billing
Board Member Expenditures
Consolidated Rental Car Facility (CONRAC) Fund
Procurement Card Spending
AECOM Expenditures
Agreements with Expenditure Limits Not to Exceed \$100,000
Emergency Medical Technician-Paramedic Services
San Diego Unified Port District Billing
Special Request Audits

ETHICS PROGRAM ACTIVITY

CONSTRUCTION AUDIT AND MONITORING ACTIVITY

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