

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AUDIT COMMITTEE MEETING
MINUTES
MONDAY, FEBRUARY 8, 2010
BOARD ROOM**

CALL TO ORDER:

Board Member Smisek called the meeting of the Audit Committee to order at 10: 00 a.m., on Monday, February 8, 2010, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Committee Member Van Sambeek led the pledge of allegiance.

ROLL CALL:

PRESENT: Committee Members: Finnila, Smisek, Tartre, Van Sambeek, Young

ABSENT: Committee Members: Buck

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk; Linda Gehlken, Assistant Authority Clerk I

PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the November 18, 2009, Special Audit Committee meeting.

ACTION: Moved by Board Member Young and seconded by Board Member Finnila to approve staff's recommendation. Motion carried unanimously, noting Committee Member Buck as ABSENT.

2. QUARTERLY AUDIT ACTIVITIES REPORT – FISCAL YEAR 2010 SECOND QUARTER, AND REPORT ON AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:

Mark Burchyett, Chief Auditor, provided a presentation of the Fiscal Year 2010 Second Quarter Report, and an overview of the Audit Recommendations issued by the Office of the Chief Auditor.

In response to Board Member Finnila's concerns regarding the large number of calls received regarding the United Way campaign on the Ethics Hotline, Mr. Burchyett stated that all calls received were investigated, and none required further inspection for violation of ethics.

Jeffrey Woodson, Vice President, Administration, stated that he had spoken with Christy Carlson, Senior Auditor, Ethics, in regard to the United Way Campaign calls received. He reported that the calls expressed concerns regarding the amount of staff and/or time being allocated to the campaign overall.

In response to Committee Member Tartre regarding whether staff will be focused on driving and reporting "soft savings" as previously discussed by the Committee, Fred Bolger, Manager, Audit Services, stated that staff is mindful of the request, and will proceed and report accordingly.

RECOMMENDATION: Direct staff to forward this item to the Board for information, and provide direction to staff on audit recommendations.

ACTION: Moved by Board Member Finnila and seconded by Board Member Young to forward this item to the Board for information. Motion carried unanimously, noting Committee Member Buck as ABSENT.

3. UPDATE ON THE CONSTRUCTION AUDIT PROGRAM:

Scott Thein, Senior Auditor, Construction, provided a presentation of the Construction Audit activities that included Current Green Build Activities; Green Build Change Order Process; RFQ for Audit Services – Green Build; and Continuing Green Build Activities.

RECOMMENDATION: Information item only.

ACTION: No Action Taken

4. DISCUSSION REGARDING PROPOSED AMENDMENTS TO THE CHARTER OF THE AUDIT COMMITTEE:

Mark A. Burchyett, Chief Auditor, provided a report on the proposed amendments to the Charter of the Audit Committee.

In response to Board Member Finnila regarding what process is in place that ensures that the Audit Committee is notified of any staffing related changes pertaining to the external auditor, as specified on Page 3 of the Charter of the Audit Committee, Mr. Burchyett stated that the Committee would be notified by the Office of the Chief Auditor (OCA) in the event of a change with the senior staff or other development with the external auditing firm. He also stated that, if requested, a special Audit Committee meeting could be held to discuss the matter.

Board Member Finnila requested that, on Page 3 of the Charter of the Audit Committee, under "Annual Report", the information be further clarified by including the Comprehensive Annual Financial Report (CAFR).

Board Member Young stated that it is important that the Committee understand its role and the Board's role in regard to reviewing and approving reports.

RECOMMENDATION: Direct staff to forward the recommended amendments to the Board for approval.

ACTION: Moved by Board Member Young and seconded by Board Member Finnila to forward this item to the Board for approval. Motion carried unanimously, noting Committee Member Buck as ABSENT.

5. DISCUSSION REGARDING PROPOSED AMENDMENTS TO THE CHARTER OF THE OFFICE OF THE CHIEF AUDITOR:

Mark A. Burchyett, Chief Auditor, provided a report on the proposed amendments to the Charter of the Office of the Chief Auditor.

RECOMMENDATION: Direct staff to forward the recommended amendments to the Board for approval.

ACTION: Moved by Committee Member Van Sambeek and seconded by Board Member Young to forward this item to the Board for approval. Motion carried unanimously, noting Committee Member Buck as ABSENT.

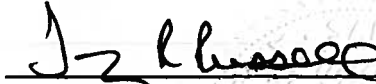
COMMITTEE MEMBER COMMENTS

ADJOURNMENT: The meeting was adjourned at 10:32 a.m.

APPROVED BY A MOTION OF THE AUDIT COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 3RD DAY OF MAY, 2010.


MARK A. BURCHYETT
CHIEF AUDITOR

ATTEST:



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK