

February 25, 2022

January 28, 2022, Meeting Minutes

Chair David Zito (Board Member) called the meeting of the Audit Committee to order at 12:30 p.m.

Action: Approve

The Audit Committee is asked to approve the minutes from its January 28, 2022, meeting.

1. Approval of Meeting Minutes (Approve)

Robert Monson (Public Member) asked to have the meeting minutes more uniform regarding the identification of committee member's titles.

Chair Zito also asked to change page eight of the agenda to reflect that Agnes Wong Nickerson (Public Member) was absent.

Action: Upon a motion by Robert Monson and a second by Vice Chair Racquel Vasquez (Board Member), the Audit Committee approved the minutes from its December 17, 2021, meeting.

The motion passed.

Yes: Chair Zito, Vice Chair Vasquez, Stewart Halpern (Public Member), and Robert Monson.

No: None.

Abstain: None.

Absent: Agnes Wong Nickerson.

2. Public Comments/Communications/Member Comments

None.

Reports

3. Chief Executive Officer's Report (Discussion)

Deputy Chief Executive Officer Coleen Clementson presented an overview of events from 2021, including the opening of the Mid-Coast Trolley Extension, the adoption of SANDAG's Regional Plan, progress on the SR 11/Otay Mesa East border crossing, the Del Mar Bluffs and LOSSAN Corridor, the Central Mobility Hub, and the Regional Bikeway Program. Coleen also announced that the first meeting of the Regional Equitable Housing Subcommittee will be held on February 1, 2022.

Tim Bilash, member of the public, commented on the need for updates to the timetable for the underground tracks relative to the need for fencing of the Del Mar Bluffs.

Stewart Halpern asked about the timeline for filling senior positions. Coleen responded that the Chief Executive Officer Hasan Ikhata will be giving an organizational structure update on Tuesday, February 1, 2022.

Action: Discussion only.

4. Update on the Office of the Independent Performance Auditor Activities (Discussion)

Independent Performance Auditor (IPA) Mary Khoshmashrab provided an update on the Office of the Independent Performance Auditor's (OIPA) activities, including a delay in the delivery of the Purchase Card Audit due to giving Management more time to respond. The IPA also brought up the option of creating formal policies and procedures regarding any allegations against the IPA, whether internal or external.

Chair Zito agreed this would be good for the office. Chair Zito also commented there were positions for the OIPA that were approved but have not been funded.

Tim Bilash spoke in support of appropriate staffing for the OIPA.

Robert Monson commented the IPA is different from other employees and there is a need for standard policies and procedures for the position.

Stewart Halpern asked if the Board of Directors entertains amendments to the policies once a year. Deputy General Counsel Amberlynn Deaton confirmed the Board considers amendments annually and anticipates doing so this summer.

Action: Discussion only.

5. Proposed FY 2023 Independent Performance Auditor Budget (Recommend)

IPA Mary Khoshmashrab presented the item.

The IPA stated that the OIPA FY 2023 budget is similar to last year's budget, but that she is requesting one additional auditor position. The IPA shared supporting documentation for the need of the additional position.

Tim Bilash stated that there is much confusion regarding SANDAG's spending on large projects and the recently approved Regional Plan, and additional auditors will reassure the public of the accountability of the monies SANDAG is spending.

Stewart Halpern asked about the supporting data presented by the OIPA, and whether the presented charts were for the fully requested 15 audit staff or the authorized 7 audit staff. The IPA responded the charts reflected a full staff of 15 auditors. Stewart Halpern also asked if the OIPA were to do the data charts with current staff would the disparities be worse? The IPA responded yes.

Agnes Wong Nickerson asked what management's plan is to get the OIPA at least the minimum number of auditors. Agnes Wong Nickerson also asked if SANDAG should consider outside auditors. The IPA responded SANDAG management is supportive and understands the OIPA is highly understaffed. The OIPA is hopeful additional staff will be more supported once we are out of the pandemic. The IPA added she is opposed to outside auditors because they are costly and outside auditors do not have the same perspective and look as internal auditors. It is preferable, and cost effective, to have more internal auditors.

Agnes Wong Nickerson asked since SANDAG does not currently have the staff how do we fill the short-term need of more staff for the audits and reviews of the current construction projects. The IPA responded every year before creating the Audit Plan she looks at the risk levels and discusses with management the areas of highest risk.

Robert Monson asked if the budgeted money includes training or just the position. The IPA answered it only includes the position, but she is qualified to train if necessary.

Chief Financial Officer André Douzdjian commented this auditor position is the only added position to the FY 2023 budget.

Chair Zito commented there are a lot of budget constraints, and they will continue unless SANDAG passes more ballot measures. André Douzdjian responded that SANDAG is good at getting funding and they will continue to get that in addition to a possible new ballot measure. Chair Zito also commented that with the scope of projects on the horizon, we will need to have a full-fledged audit team.

The IPA added the OIPA will move to continuous auditing next fiscal year.

Chair Zito asked why the position is labeled as unfunded. The IPA responded it is considered unfunded until it is approved by the Board of Directors.

Action: Upon a motion by Stewart Halpern and a second by Agnes Wong Nickerson, the Audit Committee voted to recommend the Board of Directors approve the proposed Office of the Independent Auditor FY 2023 budget.

The motion passed.

Yes: Chair Zito, Vice Chair Vasquez, Agnes Wong Nickerson, Stewart Halpern, and Robert Monson.

No: None.

Abstain: None.

Absent: None.

6. Upcoming Meetings (Information)

The next Audit Committee meeting is scheduled for Friday, February 25, 2022, at 12:30 p.m.

7. Adjournment

The meeting was adjourned at 1:32 p.m.

Confirmed Attendance at SANDAG Audit Committee Meeting

January 28, 2022

Jurisdiction/Organization	Name	Member/ Alternate	Attended
Board Member	David Zito (Chair)	Primary	Yes
Board Member	Racquel Vasquez (Vice Chair)	Primary	Yes
Public Member	Robert Monson	Primary	Yes
Public Member	Agnes Wong Nickerson	Primary	Yes
Public Member	Stewart Halpern	Primary	Yes