

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
AUDIT OVERSIGHT COMMITTEE
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

MINUTES

November 7, 2019

A. ROLL CALL

1. Chair Fletcher called the meeting to order at 9:02 a.m. A roll call sheet listing Audit Oversight Committee member attendance is attached.

2. APPROVAL OF MINUTES

Mr. Arambula moved for approval of the minutes of the November 1, 2018 Audit Oversight Committee meeting. Ms. Montgomery seconded the motion, and the vote was 3 to 0 in favor with Ms. Salas absent.

B. AUDIT OVERSIGHT COMMITTEE DISCUSSION ITEMS

1. Draft of Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR) (Erin Dunn with Gary Caporicci and Coley Delaney of The Pun Group)

Erin Dunn, Controller, introduced this item and Gary Caporicci and Coley Delaney of The Pun Group. Mr. Delaney provided a presentation on the fiscal year (FY) 2019 CAFR. He reviewed the management and auditors' responsibilities and the approach to the audit. Mr. Caporicci provided an overview of the financial statements. He reviewed the summary statements of net position; summary statements of revenues, expenses and changes in net position; summary statements of cash flows; net pension liability; pension expenses; and other postemployment benefits plan. Mr. Delaney continued the presentation and reviewed the audit results. He stated that there was an unmodified opinion; there were no disagreements with management; there were no material weaknesses or significant deficiencies in internal controls; and there were no accounting issues noted. Lastly, Mr. Caporicci reviewed GASB upcoming standards and key research projects.

Action Taken

No action taken.

2. Internal Audit Activity Update Report (Toufic Tabshouri)

Toufic Tabshouri, Internal Auditor, provided an update on internal audit activity. He reviewed the audit resources; audit selection process; fiscal year 2018-2019 audits; tentative audits for calendar year 2020; and other activities related to the fraud hotline.

Ms. Montgomery inquired about the cancelled real estate assets audit. Mr. Tabshouri replied that the department recently underwent some restructuring and formatting. He noted that he will reevaluate the need and requirements of that department in the future to determine if another audit is necessary.

Mr. Arambula inquired about the reduction of risk management payments and asked what that is attributed to. Mr. Tabshouri stated that these payments will generally vary year to year depending on incidents occurred. He noted that staff closely monitors these trends.

Action Taken

No action taken.

C. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no committee member communications.

D. PUBLIC COMMENTS

There were no public comments.

E. NEXT MEETING DATE

The next meeting will be held as called.

F. ADJOURNMENT

Chair Fletcher adjourned the meeting at 9:24 a.m.

/s/ Alejandra Sotelo-Solis
Vice Chair

Attachment: Roll Call Sheet

AUDIT OVERSIGHT COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) November 7, 2019

CALL TO ORDER (TIME) 9:02 a.m.

RECESS _____

RECONVENE _____

CLOSED SESSION _____

RECONVENE _____

ADJOURN 9:24 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ARAPOSTATHIS <input type="checkbox"/>	(Arambula) <input checked="" type="checkbox"/>	9:00 a.m.	9:24 a.m.
FLETCHER (Chair) <input checked="" type="checkbox"/>	(Cox) <input type="checkbox"/>	9:00 a.m.	9:24 a.m.
MONTGOMERY <input checked="" type="checkbox"/>	(Ward) <input type="checkbox"/>	9:00 a.m.	9:24 a.m.
SALAS <input checked="" type="checkbox"/>	(Sandke) <input type="checkbox"/>	9:04 a.m.	9:24 a.m.

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Karen Card