

ONTARIO INTERNATIONAL AIRPORT AUTHORITY FINANCE & AUDIT COMMITTEE AGENDA – SPECIAL MEETING



OCTOBER 26, 2021 AT 3:00 P.M.

Ontario International Airport Authority Administration Offices
1923 East Avion Street, Room 100, Ontario, CA 91761

STANDING COMMITTEE MEMBERS

ALAN D. WAPNER
Chair

RONALD O. LOVERIDGE
Member

WELCOME TO THE MEETING OF FINANCE & AUDIT COMMITTEE

- All documents for public review are on file at the Ontario International Airport Administration Offices located at 1923 E. Avion Street, Ontario, CA 91761.
- Anyone wishing to speak during public comment or on an item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment, beginning or before an agenda item is taken up. The Secretary/Assistant Secretary will not accept blue slips after that time.
- You may submit public comments by e-mail to publiccomment@flyontario.com no later than 1:00 p.m. the day of the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the meeting record.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1-minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with State Law, remarks during public comment are to be limited to subjects within the Authority's jurisdiction. Remarks on other agenda items will be limited to those items.

Remarks from those seated or standing in the back of the board room will not be permitted. All those wishing to speak, including Committee Member and Staff, need to be recognized by the Committee Chair before speaking.

Sign language interpreters, communication access real-time transcription, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended.

1. CALL TO ORDER

2. ROLL CALL

Wapner (Chair), Loveridge (Member)

3. PUBLIC COMMENTS

The Public Comment portion of the Committee meeting is limited to a maximum of 3 minutes for each Public Comment. Under provisions of the Brown Act, the Committee is prohibited from taking action on oral requests.

4. COMMITTEE AGENDA REVIEW/ANNOUNCEMENTS

Staff will go over all updated materials and correspondence received after the Agenda was distributed to ensure Committee Members have received them.

5. CONFLICT OF INTEREST

Agenda item contractors, subcontractors and agents may require member abstentions due to conflict of interests and financial interests. Committee Member abstentions shall be stated under this item for recordation on the appropriate item.

6. CONSENT CALENDAR

A. APPROVAL OF MINUTES

Approve minutes of the Finance & Audit Committee meetings on August 11, 2021 and September 2, 2021.

7. COMMITTEE DISCUSSION ITEMS

A. THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY PROCUREMENT CARD POLICY AND PROCEDURES

Review and recommend to the Commission for approval.

B. INTERVIEW OF INTERNAL AUDIT FIRM

Interview sole respondent to Request for Proposal (RFP #210012) Internal Audit Services as a qualified certified public accounting firm licensed in the state of California for internal audit services for the Ontario International Airport Authority (OIAA).

B. COMMITTEE STAFF UPDATES

C. COMMITTEE MEMBER COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Alan D. Wapner, Chair
Ronald Loveridge, Member

D. ADJOURNMENT

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
FINANCE & AUDIT COMMITTEE MEETING
MINUTES
August 11, 2021
(not official until approved)

In accordance with the Governor's Executive Orders N-25-20 and N-29-20 for the State of California, the Ontario International Airport Authority (OIAA) public meetings are being conducted via Zoom and teleconference. Members of the public utilized alternative measures established by OIAA to view the Committee meeting and/or to address the Committee Members for the meeting held on Wednesday, August 11, 2021.

Notice of said meeting was duly given in the time and manner prescribed by law.

1. CALL TO ORDER

Chair Wapner called the Finance & Audit Committee meeting to order at 3:08 p.m.

2. ROLL CALL

PRESENT VIA ZOOM: Commissioners: Ronald O. Loveridge, Member
 Alan D. Wapner, Chair

ABSENT: Commissioners: None

Also present via Zoom webinar were: Chief Executive Officer Mark A. Thorpe, Deputy Chief Executive Officer Atif J. Elkadi, Chief Financial Officer John M. Schubert, General Counsel Lori Ballance, and Board Clerk Natalie Gonzaga.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Members of the public wishing to provide public comment were able to do so via email comments to publiccomment@flyontario.com, live via telephone at (909) 414-1718, via telephone recording comments at (909) 544-5307, or by mail.

There were no public comments.

5. COMMITTEE AGENDA REVIEW/ANNOUNCEMENT

No announcements were made.

6. COMMITTEE DISCUSSION ITEMS

A. FUTURE FINANCE & AUDIT COMMITTEE MEETING SCHEDULE

Discussion regarding future standing committee meeting schedule.

CEO Thorpe suggested quarterly regular meeting schedule for the Committee and special meetings as needed.

Chair Wapner and Member Loveridge discussed the Committee functions and schedule with Staff.

The Finance & Audit Committee recommended to the full Commission a quarterly regular meeting schedule, with the understanding that the committee may need to meet for special meetings as needed.

B. COMMITTEE MEMBER COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Discussion ensued regarding hiring an external firm for an OIAA internal audit. Chair Wapner discussed the importance of hiring a firm and requested the Committee meet with the selected firm.

Chair Wapner inquired on the scope development for the internal audit and CFO Schubert stated he will prepare a scope and provide for further direction from Committee.

Chair Wapner suggested other outside subject matter experts participate interview panel to select internal auditor and inquired about the internal auditor job description.

The Committee suggested the importance of an external auditing firm be hired within thirty days. CFO Schubert clarified hiring of an external contracted firm, not an OIAA employee, and the Committee confirmed the contracted firm will come first.

Chair Wapner clarified that Staff will approve hiring the external firm and the Committee will review the scope.

CFO Schubert asked if the Committee would like to meet again to discuss the upcoming Capital Budget and FYE 2021 Financials prior to the regular Commission meeting. Chair Wapner requested the draft information be sent to the full Commission for review prior to the next Commission meeting.

The Committee members suggested establishing an anonymous comment line for staff members and specifically who would handle the comments. Staff stated they will follow up on establishing this service and procedures.

C. ADJOURNMENT

Chair Wapner adjourned the Finance & Audit Committee meeting at 3:45 p.m.

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RESPECTFULLY SUBMITTED:

NATALIE GONZAGA, BOARD CLERK

APPROVED:

ALAN D. WAPNER, CHAIR

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
FINANCE & AUDIT SPECIAL COMMITTEE MEETING
MINUTES
September 2, 2021
(not official until approved)**

In accordance with the Governor's Executive Orders N-25-20 and N-29-20 for the State of California, the Ontario International Airport Authority (OIAA) public meetings are being conducted via Zoom and teleconference. Members of the public utilized alternative measures established by OIAA to view the Committee meeting and/or to address the Committee Members for the meeting held on Thursday, September 2, 2021.

Notice of said meeting was duly given in the time and manner prescribed by law.

1. CALL TO ORDER

Chair Wapner called the Finance & Audit Committee meeting to order at 4:06 p.m.

2. ROLL CALL

PRESENT VIA ZOOM: Commissioners: Ronald O. Loveridge, Member
Alan D. Wapner, Chair

ABSENT: Commissioners: None

Also present via Zoom webinar were: Deputy Chief Executive Officer Atif J. Elkadi, Chief Financial Officer John M. Schubert, General Counsel Lori Ballance, and Board Clerk Natalie Gonzaga.

3. PUBLIC COMMENT

Members of the public wishing to provide public comment were able to do so via email comments to publiccomment@flyontario.com, live via telephone at (909) 414-1718, via telephone recording comments at (909) 544-5307, or by mail.

There were no public comments.

4. COMMITTEE AGENDA REVIEW/ANNOUNCEMENT

No announcements were made.

5. COMMITTEE DISCUSSION ITEMS

c. INTERNAL AUDIT CHARTER

Discussion regarding the proposed Internal Audit Charter for OIAA.

The Committee reviewed the Internal Audit Charter proposed as a baseline for the external audit firm and future OIAA Internal Auditor position.

Chair Wapner requested to ensure the proper framework is put in place by the external auditor.

The Committee agreed the Internal Audit Charter presented is acceptable for the OIAA internal audit office.

a. EXTERNAL AUDITOR FOR INTERNAL AUDIT SERVICES

Discussion regarding the selection of an external audit firm for internal audit services at Ontario International Airport Authority (OIAA).

Chair Wapner expressed concerns regarding piggybacking on a contract for professional services.

CFO Schubert offered to proceed with an RFQ process to select an external firm. Member Loveridge expressed concerns regarding the delay to the timeline.

CFO Schubert stated Staff is ready to move forward with the Committee recommendation and he is happy to change policies to reflect the direction of the board. Chair Wapner requested a copy of the purchasing policy.

Deputy CEO Elkadi stated Staff will work with Legal to adjust the purchasing policy and bring to the Committee for review to recommend to the full Commission.

b. MOSS ADAMS PROPOSAL

Discussion regarding the Moss Adams, LLP proposal for internal auditing services at OIAA.

The Committee expressed concerns regarding the proposal lacking specific experience with airports.

The consensus between the Committee and Staff was to conduct an interview with Moss Adams at the next Committee meeting. The Committee requested the specific local auditor also be present during the interview.

The Committee requested a revised proposal with more specific experience provided related to airports.

6. MANAGEMENT REPORT

a. EXECUTIVE AND FINANCE OFFICES

There was no management report.

7. COMMITTEE MEMBER COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Chair Wapner had no further comments.

Member Loveridge had no further comments.

8. ADJOURNMENT

Chair Wapner adjourned the Finance & Audit Committee meeting at 4:50 p.m.

RESPECTFULLY SUBMITTED:

NATALIE GONZAGA, BOARD CLERK

APPROVED:

ALAN D. WAPNER, CHAIR

DATE: OCTOBER 26, 2021

TO: FINANCE & AUDIT COMMITTEE

SUBJECT: APPROVAL OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY PROCUREMENT CARD POLICY AND PROCEDURES

RELEVANT STRATEGIC OBJECTIVE: Reduce Airline Costs.

RECOMMENDED ACTION(S): That the Finance & Audit Committee review and recommend to the Commission to approve the OIAA Procurement Card Policies and Procedures Manual.

FISCAL IMPACT SUMMARY: The Procurement Card Policies and Procedures Manual will establish formal policy and procedure for use of credit cards in purchasing OIAA goods and services, mitigates financial risks and supports the overall purchasing policy goal of “Best value purchasing”.

BACKGROUND: On January 23, 2018 the OIAA Board of Commissioners adopted a Procurement Policies and Procedures Manual, which set forth Board policy and objectives for the acquisition of goods and services necessary for the operation and support of the Ontario International Airport. This Manual identified procurement cards (P-cards) as an allowable alternative purchasing method. Subsequent to the adoption of this manual OIAA management established a Procurement Card program to more efficiently and timely respond to the operational needs of OIAA.

In effort to mitigate the recent proliferation of cybersecurity and other fraud being experienced by individuals and companies in the United States, Management is working to reduce fraud and other risks through improvements in its internal controls. Management has identified P-card purchases as an area of risk that can be mitigated by updating current procurement policies and procedures.

Management is recommending the Board approve the attached Procurement Card Policies and Procedures Manual. This manual reduces risks by significantly limiting the number of OIAA P-cards issued, the types and amounts of purchases that can be made with P-cards, establishes greater controls over card security and provides consequences for a credit card users unauthorized use of an OIAA P-card. In addition, it reinforces expectations and direction from the Board that purchasing goods and services for use in OIAA operations should embody the highest level of ethical conduct.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: Procurement Card Policies and Procedures Manual

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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