

DRAFT

RESOLUTION 20xx-xxx

RESOLUTION AMENDING BOARD OF PORT COMMISSIONERS POLICY NO. 776 – PORT AUDIT OVERSIGHT COMMITTEE POLICY TO ESTABLISH TERM LIMITS FOR THE THREE PUBLIC MEMBERS AND RESIDENCY REQUIREMENT

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, in a continual effort to enhance the effectiveness and independence of the District’s Audit Oversight Committee (AOC), the AOC at its meetings on March 16, 2021 and June 8, 2021 discussed its structure and ability to effectively fulfill its oversight responsibilities including the qualifications, independence, and performance of the District’s Port Auditor and external auditors; and

WHEREAS, staff presented best practices for effective public-sector audit committees as authored by the American Institute of CPAs (AICPA), the Institute of Internal Auditors (IIA), and the Government Finance Officers Association (GFOA); and

WHEREAS, benchmarking results were also shared that compared the Committee with other public-sector audit committees within and outside the San Diego region (e.g., City of San Diego, Port of Oakland); and

WHEREAS, the AOC is governed by BPC Policy Number 776 - Audit Oversight Committee Policy, which determines the makeup of the AOC; and

WHEREAS, the AOC consists of five members: two Port of San Diego Port Commissioners and three public members; and

WHEREAS, the three public members of the AOC serve a staggered three-year term to ensure continuity; and

WHEREAS, the policy does not establish term limits for public members; and

WHEREAS, staff recommends this policy be amended to establish term limits for the three public members; and

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WHEREAS, the term limits would allow public members to serve a maximum of two, three-year terms before taking a break the equivalent of one term (three years) and after that time, they can reapply to the AOC; and

WHEREAS, staff recommends the policy amendment include a requirement that public members reside in San Diego County unless otherwise approved by the Board; and

WHEREAS, the current policy with suggested revisions has been reviewed by the AOC and is now ready for Board review and approval.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District that Board of Port Commissioners Policy No. 776 – Port Audit Oversight Committee Policy, is hereby amended, a copy of which is on file in the Office of the District Clerk.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 12th day of October 2021, by the following vote: