



**February 19, 2010
CDOT Headquarters
Denver, Colorado**

Audit Workshop

MEMBERS PRESENT:

| | | |
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| Harold Patton | Chairman | |
| Dennis Heap | Secretary | |
| Louis Spera | | via phone |
| Joseph Thibodeau | | |
| Dave Ubell | | via phone |
| Debra Wilcox | | via phone |

MEMBER ABSENT:

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| Dale Hancock | Vice Chair |
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OTHERS PRESENT:

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| Scott Brownlee | CDOT – Division of Aeronautics | |
| Christine Eldridge | CDOT – Division of Aeronautics | |
| TK Gwin | CDOT – Division of Aeronautics | via phone |
| Nikki Koplitz | CDOT – Division of Aeronautics | |
| Shahn Sederberg | CDOT – Division of Aeronautics | |
| John Sweeney | CDOT – Division of Aeronautics | |
| Kaitlyn Westendorf | CDOT – Division of Aeronautics | |
| Skip Spear | Office of the Attorney General | |
| Russell George | CDOT – Executive Director | |
| Lea Mason | CDOT – Internal Audit | |
| Casey Tighe | CDOT – Internal Audit | |
| David Sullens | CDOT – External Audit | |
| Bill Payne | William E Payne & Associates | |
| Karen Patton | | |

1. Meeting commenced at 10:03 A.M.

2. **AMENDMENTS TO THE AGENDA**

There are no amendments to the agenda.

3. **BOARD MEMBER REPORTS**

Louis Spera spoke briefly about the museum at the Pueblo Airport. Dennis Heap, Dave Ubell, Debra Wilcox and Joseph Thibodeau had nothing to report.

4. **PUBLIC COMMENTS**

There were no public comments.

5. **AUDIT RECOMMENDATIONS IMPLEMENTATION UPDATE –
SCOTT BROWNLEE/SKIP SPEAR/CASEY TIGHE/LEA MASON**

Harold Patton took a few moments to speak about the audit and the suggestion from the auditors that the Board develop an audit committee. Harold said he is not sure who from the Board would serve on the committee; whether it consist of 3-4 members or the entire Board. Scott Brownlee expressed his opinion that if the Board forms an audit committee, they may want to consider a committee made up of the entire Board. Joseph Thibodeau added that the audit function is critically important and that the auditors provide an extremely valuable service. Russell George echoed Joseph's statements, adding that Audit is an integral part of how we do business. Russell added that he feels it would be beneficial for the Audit Division to have designated points of contact within the Division and the Board. Skip Spear briefed the Board that the Attorney General's (AG) support to the Division during the state audit expended approximately \$10,000 of fees. He suggested that this expense be kept in mind while considering development of the relationship between the Board and Audit. Dave Ubell said that he feels that an audit committee is unnecessary and that if there is an issue that needs to be addressed, the entire Board should be included. Dennis Heap expressed his concern that the continuous audit is impeding the day-to-day operations at the Division. Dennis said that his experience with auditors is that they assess and audit maybe one or two weeks out of the year. Casey Tighe and David Sullens stressed the importance of open communications between the Board, Division staff and Audit.

Joseph Thibodeau stated that communications to the Board from Audit occur via the Chairman and as Harold Patton suggested, the Board could receive annual updates from Audit. Scott Brownlee said that the Division and the Board could have annual audit discussions during the first regular meeting of the calendar year. Debra Wilcox made the MOTION that on an annual basis, during the first regular meeting of the calendar year, the Board and Division staff will meet with CDOT Internal Audit, either as an agenda item to the meeting or as an audit workshop prior to the meeting; after such meeting, Audit will report to the Division, with a copy to the Board Chairman, any action which is needed and a timeline for completion. In the event that there is an item that needs to be addressed by the Board, Audit would have the ability to contact the Board Chairman directly. Joseph Thibodeau seconded the MOTION.

The MOTION carried unanimously.

5.1 CAB Governance Documents: Scott Brownlee began by thanking the Board, Skip Spear, Joseph Thibodeau and Debra Wilcox for all the time and work they have devoted to completing this document. Joseph Thibodeau briefly updated the Board on the latest revisions to the draft. Joseph also addressed that the *Board Code of Conduct* has been incorporated into this document. Debra Wilcox made the MOTION to adopt this document, effective today's date, and Dennis Heap seconded.

The MOTION carried unanimously.

6. FUEL TAX REPORTING UPGRADE FUNDING REQUEST – KAITLYN WESTENDORF

Kaitlyn Westendorf advised the Board that reconciliation of the reports used in the Colorado Fuel Tracking System (COFTS) for excise tax on avgas and jet fuel is cumbersome and complicate the payment process, resulting in a considerable amount of man hours. The Department of Revenue (DOR) is capable of creating 2 new reports that will enhance the excise fuel tax payment process and reduce the number of hours required. The Division currently pays DOR an annual fee of approximately \$30,000 for the routine services they provide, however the creation of these new reports is not covered in that amount. Kaitlyn requested a one time, not to exceed amount of \$13,000 for the programming required to create these new reports. Joseph Thibodeau made the MOTION to approve this request and Dennis Heap seconded.

The MOTION carried unanimously.

7. PROPOSED CALENDAR

The next Board meeting will take place on April 1st, 10:00 A.M. at Centennial Airport in the Wright Brothers Room.

8. OTHER MATTERS BY MEMBERS

No other matters were discussed.

9. ADJOURNMENT

The meeting adjourned at 11:27 A.M.