

**AUDIT COMMITTEE  
OF THE CITY OF SAN DIEGO**

**Council President Pro Tem Kevin Faulconer, Chair  
Councilmember Carl DeMaio, Vice Chair  
Committeemember Thomas Hebrank  
Committeemember Charles Sellers  
Committeemember Steve Grant**

**ACTIONS FOR  
MONDAY, OCTOBER 3, 2011, AT 9:00 A.M.**

**COUNCIL COMMITTEE ROOM (12TH FLOOR),  
CITY ADMINISTRATION BUILDING  
202 C STREET, SAN DIEGO, CALIFORNIA**

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(619) 236-6992

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Committee members present: Faulconer, DeMaio, Sellers, Hebrank

Committee members not present: Grant

NON-AGENDA PUBLIC COMMENT: None.

COMMITTEE COMMENT: None.

CITY AUDITOR, CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT: None.

ADOPTION AGENDA

Approval of the Record of Action Items for September 26, 2011

**ACTION:** Motion by Committee Member Hebrank, second by  
Chair Faulconer, to approve.

**VOTE:** 4-0; Faulconer-yea, DeMaio-yea, Grant-not present,  
Hebrank-yea, Sellers-yea

INFORMATION ITEMS

ITEM-1: Report from the City Auditor regarding AUDIT ACTIVITY [PowerPoint](#)

**ACTION:** Information only. No action taken.

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ITEM-2:     [Update from the Outside Auditor](#) (Macias Gini & O'Connell) regarding the FISCAL YEAR 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AUDIT

ACTION:       Information only. No action taken.

DISCUSSION/ACTION ITEMS

ITEM-3:     [Report from Independent Budget Analyst](#) regarding DRAFT SCOPE OF WORK AND REQUEST FOR PROPOSALS FOR ACCOUNTS PAYABLE AUDIT

ACTION:       Motion by Councilmember DeMaio, second by Chair Faulconer, to move to the City Council and Mayor's office for appropriate action, with two modifications to the scope of work:

1. List the top 10 accounts payable categories by function; and
2. Encourage individual firms to partner by specialized discipline in their proposals

VOTE:         4-0;       Faulconer-yea, DeMaio-yea, Grant-not present, Hebrank-yea, Sellers-yea

ITEM-4:     Audit Committee discussion and recommendation regarding the ANNUAL COMPENSATION OF THE CITY AUDITOR FOR FISCAL YEAR 2012  
[IBA Report](#)

ACTION:       Motion by Committee Member Hebrank, second by Chair Faulconer, to recommend the City Council retain the City Auditor's compensation at its current level.

VOTE:         3-1;       Faulconer-yea, DeMaio-yea, Grant-not present, Hebrank-yea, Sellers-nay

ITEM-5:     ACTION:       No action taken. Chair Faulconer requested management and the Housing Commission present at the November 7, 2011 Audit Committee progress reports on implementing the recommendations from the following audits:

- a. 09-013 THE CITY OF SAN DIEGO FACES UNIQUE OPERATIONAL AND ADMINISTRATIVE CHALLENGES IN MANAGING QUALCOMM STADIUM
- b. 10-002 PERFORMANCE AUDIT OF THE SAN DIEGO HOUSING COMMISSION – PART I
- c. 10-002 PERFORMANCE AUDIT OF THE SAN DIEGO

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HOUSING COMMISSION – PART II

- d. 10-007 PERFORMANCE AUDIT OF THE CITY'S STREET MAINTENANCE
- e. 11-009 STREET MAINTENANCE: CITY NEEDS TO IMPROVE PLANNING, COORDINATION, AND OVERSIGHT TO EFFECTIVELY MANAGE TRANSPORTATION ASSET
- f. 11-027 PERFORMANCE AUDIT OF THE CAPITAL IMPROVEMENT PROGRAM

Chair Faulconer also requested a written memorandum explaining why agreed-to recommendations that have missed their target date are unimplemented.

ITEM-6: [Report from City Auditor](#): PERFORMANCE AUDIT OF THE PUBLIC UTILITIES CAPITAL IMPROVEMENT PROGRAM [PowerPoint](#)

**ACTION:** Motion by Councilmember DeMaio, second by Chair Faulconer, to move the report to the City Council and IROC (Independent Rates Oversight Committee) and to:

- a. Specifically highlight the audit report's recommendations to be responded to in the context of any future rate case that IROC may examine; and
- b. Request from the Office of the City Auditor a recommended set of performance audits in the area of water and wastewater public utilities.

**VOTE:** 4-0; Faulconer-yea, DeMaio-yea, Grant-not present, Hebrank-yea, Sellers-yea

Kevin Faulconer  
Council President Pro Tem