

**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, DECEMBER 5, 2011, AT 9:00 A.M.**

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

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All Committee members present.

NON-AGENDA PUBLIC COMMENT: None.

COMMITTEE COMMENT: Chair Faulconer remarked that, in response to his memo requesting a City Council hearing on the status of seven unimplemented recommendations from the 2009 Qualcomm Stadium audit, Council President Tony Young will schedule a hearing in early 2012.

CITY AUDITOR, CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT:

Independent Budget Analyst representative Jeff Kavar provided notice that the City is accepting applications through December 9, 2011, for the open Audit Committee public member position that is currently occupied by Committee Member Charles Sellers.

City Comptroller Ken Whitfield commented that, as the committee had requested, the Comptroller's office sent out the Request for Proposals (RFP) for the Accounts Payable (A.P.) audit.

ADOPTION AGENDA

Approval of the Record of Action Items for November 7, 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

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INFORMATION ITEMS

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

ACTION: Information only. No action taken.

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 the City Auditor](#): PERFORMANCE AUDIT OF THE SAN DIEGO CITY EMPLOYEES' RETIREMENT SYSTEM (SDCERS) [PowerPoint](#)

ACTION: Motion by Committee Member DeMaio, second by Chair Faulconer, to accept the report and request the City Attorney's office prepare and present to the City Council concurrently with the SDCERS audit a legal opinion regarding:

- 1) Whether Medicare Part B Income Related Monthly Adjustment Amount (IRMAA) premiums can be discontinued or modified; and
- 2) Whether Industrial Disability Retirement benefit payments and Workers' Compensation payments can be discontinued or modified.

VOTE: 3-0; Faulconer-yea, DeMaio-yea, Grant-abstain, Hebrank-abstain, Sellers-yea

ITEM-4: [Report from the City Auditor](#): QUARTERLY FRAUD HOTLINE REPORT - QUARTER 1 FISCAL YEAR 2012 [PowerPoint](#)

ACTION: Motion by Committee Member Hebrank, second by Chair Faulconer, to accept the report.

VOTE: 5-0; Faulconer-yea, DeMaio-yea, Grant-yea, Hebrank-yea, Sellers-yea

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ITEM-5:      Audit Committee discussion and recommendation regarding the ANNUAL  
                  COMPENSATION OF THE CITY AUDITOR FOR FISCAL YEAR 2012  
                  [Council Policy No. 300-04](#)

ACTION:      Motion by Committee Member Sellers, second by Committee  
                  Member Grant, to request information from the Personnel Director to determine  
                  the salary for the position of the City Auditor as outlined in Council Policy 300-04,  
                  including review of an Institute of Internal Auditors benchmarking study that  
                  compared compensation for audit staff and audit directors.

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

Kevin Faulconer  
Council President Pro Tem