

**SPECIAL 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, SEPTEMBER 26, 2011, AT 1:00 P.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: Mel Shapiro discussed Redevelopment Agency enforceable obligation payments.

COMMITTEE COMMENT: None.

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

ADOPTION AGENDA

Approval of the Record of Action Items for September 12, 2011

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

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

DISCUSSION/ACTION ITEMS

ITEM-1: Review of the 2010 FINANCIAL STATEMENT AUDIT, REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING (YELLOW BOOK

ACTIONS
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REPORT), SAS 61 LETTER, AND CITY ACCOUNTING POLICIES PER
SDMC SECTION 26.1707 [City Auditor report](#) [CFO memorandum](#)
[City Attorney memorandum](#) [City Attorney memorandum2](#)
[City Attorney memorandum3](#) [MGO response](#)
[City Comptroller memorandum](#) [MGO report](#) [Yellow Book](#)

ACTION: Motion by Committee Member Sellers, second by Committee Member Hebrank, to receive and file, and forward to the City Council with the recommendation to receive and file, and request:

- a. Reports prior to the City Council hearing from the City Comptroller and outside audit firm Macias Gini & O’Connell (MGO) explaining how the CAFR reflects in the “Subsequent Events” section (page 161) the transfer of assets and associated revenues and liabilities from the Redevelopment Agency to the City general fund; and
- b. A report on whether the Internal Revenue Service has deemed resolved the remediation of the SPSP (Supplemental Pension Savings Plan) tax compliance issue, and if not whether it is considered material and should be reported in the CAFR.

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

ITEM-2: [Report from Independent Budget Analyst](#): DRAFT SCOPE OF WORK AND REQUEST FOR PROPOSALS FOR ACCOUNTS PAYABLE AUDIT

ACTION: No action taken. This item was trailed to the October 3, 2011, Audit Committee meeting.

Kevin Faulconer
Council President Pro Tem