

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

**ACTIONS FOR  
MONDAY, JANUARY 29, 2007, AT 9:00 A.M.**

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

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NON-AGENDA PUBLIC COMMENT: None.

COMMITTEE COMMENT: None.

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

ADOPTION AGENDA

ITEM-1: WELCOME AND INTRODUCTION OF THE AUDIT COMMITTEE

ACTION: Information only. No action taken.

ITEM-2: Report by the representative of KPMG, the City's Independent Auditor, regarding the STATUS OF THE 2003 FINANCIAL STATEMENT AUDIT FOR THE CITY OF SAN DIEGO

(See KPMG's 2003 CAFR PowerPoint)

ACTION: Motion by Councilmember Atkins, second by Council President Pro Tem Young to: 1) continue working with KPMG to complete the Fiscal Year 2003 Financial Statement Audit; 2) receive weekly written status updates from KPMG on February 2, February 9, February 16, and February 23, 2007, and receive responses to those updates from Mr. Levin and Mr. Tomanek of the City Auditor and Comptroller's Office; 3) schedule another meeting to discuss the status of the audit

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prior to the next scheduled Audit Committee meeting on February 26, 2007; and 4) direct the Chief Financial Officer to be prepared to provide the Audit Committee with other options in the event that KPMG is unable to make sufficient progress toward the completion of the Fiscal Year 2003 audit.

VOTE: 3-0; Faulconer-yea, Young-yea, Atkins-yea

ITEM-3: Proposed amendment to the Permanent Rules of Council to ESTABLISH AN AUDIT COMMITTEE

(See Independent Budget Analyst's Report No. 07-15)

ACTION: No action taken. This item continued to the next meeting of the Audit Committee.

ITEM-4: Request from the Chief Financial Officer to retain Macias, Gini and O'Connell to perform the INDEPENDENT AUDIT OF THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL STATEMENTS FOR FISCAL YEARS ENDING 2006 and 2007

(See Report to City Council No. 07-029)

ACTION: Motion by Council President Pro Tem Young, second by Councilmember Atkins to approve the report.

VOTE: 3-0; Faulconer-yea, Young-yea, Atkins-yea

ITEM-5: Report from the Centre City Development Corporation regarding the FISCAL YEAR ENDING 2006 AUDITED FINANCIAL STATEMENTS FOR THE CENTRE CITY DEVELOPMENT CORPORATION

(See Centre City Development Corporation's January 23, 2007, report)

ACTION: Motion by Councilmember Atkins, second by Council President Pro Tem Young to continue this item until an opinion has been received from the City Attorney.

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VOTE: 3-0; Faulconer-yea, Young-yea, Atkins-yea

ITEM-S1 Discuss Qualifications for HIRING A COMMITTEE CONSULTANT FOR THE  
AUDIT COMMITTEE

(See Councilmember Kevin Faulconer's January 29, 2007, memorandum)

ACTION: Motion by Councilmember Atkins, second by Council President Pro Tem Young to accept Councilmember Faulconer's recommendations with input from the Independent Budget Analyst, refer this item for comparable funding to the Budget and Finance Committee in February to be discussed with other mid-year budget adjustments, and that discussion come back to the Audit Committee regarding adding the staff necessary to have an independent Audit Committee.

VOTE: 3-0; Faulconer-yea, Young-yea, Atkins-yea

Kevin Faulconer  
Chair