

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

**ACTIONS FOR
MONDAY, MAY 21, 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: Joy Sunyata wished to encourage the citizens of San Diego to support City government.

COMMITTEE COMMENT: None.

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

ADOPTION AGENDA

Approval of the Record of Action Items for May 14, 2007

ACTION: Approved by common consent.

ITEM-1: Update from Macias Gini & O'Connell and the City Auditor and Comptroller regarding the STATUS OF THE 2004, 2005, AND 2006 FINANCIAL STATEMENT AUDITS

ACTION: Information only. No action taken. This item will be discussed further at the Audit Committee Meeting scheduled for June 11, 2007.

ITEM-2 Discussion regarding the DESIRED QUALIFICATIONS AND PROCESS FOR HIRING AN AUDITING PROFESSIONAL TO ASSIST THE AUDIT COMMITTEE

(See Independent Budget Analyst's Report No. 07-56)

ACTION: Motion by Councilmember Atkins, second by President Pro Tem Young, to recommend that the City Council budget and authorize the expenditure of not more than \$225,000 in Fiscal Year 2008, to hire a professional auditing consultant/firm to assist the Audit Committee in providing independent, legislative oversight of the audit work performed by and for the City; that the scope of work and professional qualifications for such a consultant should incorporate the

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information detailed in Independent Budget Analyst's Report No. 07-49; and that, if possible, the City should seek to retain a professional auditing consultant/firm within the region in order to minimize travel expenses and enhance accessibility.

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

ITEM-3: Update regarding the RECRUITING, INTERVIEWING AND HIRING OF THE CITY'S INTERNAL AUDITOR

ACTION: Information only. No action taken. This item will be discussed further at the Audit Committee meeting scheduled for June 11, 2007.

ITEM-4: Review of the 2003 FINANCIAL STATEMENT UTILIZING THE PROCESS FOR REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORTS AS PREVIOUSLY PRESENTED TO THE AUDIT COMMITTEE

(See Greg Levin's May 18, 2007, memorandum; John McNally's May 14, 2007, memorandum; Resolution R-2007-1133; Process for Audit Committee Action on 2003 Consolidated Annual Financial Report Review; Mark Blake's May 17, 2007, memorandum, with Attachments)

ACTION: Motion by Council President Pro Tem Young, second by Councilmember Atkins, to forward the Fiscal Year 2003 Consolidated Annual Financial Report (CAFR), including the opinion and report of KPMG, each dated March 12, 2007, and the Statement on Auditing Standards letter dated March 23, 2007, to the full City Council with a recommendation that the City Council receive and file the Fiscal Year 2003 CAFR as memorialized in the draft resolution bearing attorney number R-2007-1133

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

Kevin Faulconer
Chair