

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

**ACTIONS FOR  
MONDAY, JUNE 11, 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: Councilmember Frye commented on the Fiscal Year 2004 Financial Report and Fiscal Year 2003 Redevelopment Agency Financial Report. She asked that the responses to her questions be provided to her in writing by Chief Financial Officer Jay Goldstone.

Joy Sunyata commented on Independent Budget Analyst reports regarding the Audit Committee.

Clive Richard commented on the Independent Securities and Exchange Commission Monitor's Initial Report.

COMMITTEE COMMENT: Council President Pro Tem Young requested that the Independent Budget Analyst assist the Audit Committee in selecting a firm to conduct a performance audit of the Southeast Economic Development Corporation.

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

ADOPTION AGENDA

Approval of the Record of Action Items for May 21, 2007

**ACTIONS:** 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

(See Macias & Gini's June 11, 2007, letter; Summary Schedule of Prior Year Findings)

**ACTION:** Information only. No action taken. Chair Faulconer suggested that a

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short report be prepared that outlines the City's current internal control systems that would prevent the mistakes in the audit in past years. This item will be discussed further at the Audit Committee meeting scheduled for June 25, 2007.

ITEM-2: Update regarding the PROCESS FOR HIRING AN AUDITING PROFESSIONAL TO ASSIST THE AUDIT COMMITTEE

ACTION: Information only. No action taken. Chair Faulconer suggested that he serve as the Audit Committee's representative in working with Chief Financial Officer Jay Goldstone on the process for hiring the Audit Committee Professional. This item will be discussed further at the Audit Committee meeting scheduled for June 25, 2007.

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

(See City of San Diego's Internal Auditor Brochure)

ACTION: Information only. No action taken. This item will be discussed further at the Audit Committee meeting scheduled for June 25, 2007.

ITEM-4: Report from San Diego Data Processing Corporation and SAP AG regarding INTERNAL CONTROLS FOR THE ENTERPRISE RESOURCE PLANNING SYSTEM

(See Chief Information Officer's February 1, 2007, PowerPoint; SAP's June 11, 2007, PowerPoint)

ACTION: Information only. No action taken.

Kevin Faulconer  
Chair