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

ACTIONS FOR
MONDAY, JULY 30, 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:

Vern Gammon commented on the Tobacco tax.

Joy Sunyata commented on an article in the Union Tribune dated July 22, 2007.

Mel Shapiro commented on the Single Audit Report issued my Macias, Gini, & O'Connell for the Year Ended June 30, 2004.

COMMITTEE COMMENT:

Councilmember Atkins and Chair Fauloner thanked the City's Comptroller staff for their hard work during fiscal year end closing.

CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT:

City Attorney Michael Aguirre commented on a letter from Kelly Bowers of the Securities and Exchange Commission addressed to the City's Independent Consultant Stanley Keller, Esq. and the City's outside legal counsel John Hartigan, Esq.

ADOPTION AGENDA

      Approval of the Record of Action Items for July 16, 2007

            ACTION: Approved by common consent.

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

            (See Macias Gini & O'Connell's July 18, 2007, report; Macias Gini &
            O'Connell's July 30, 2007, PowerPoint)

            ACTION: Information only. No action taken.

ITEM-2:   Update from the Independent Budget Analyst regarding THE CHARTER
            REVIEW COMMITTEE DISCUSSION OF THE INTERNAL AUDITOR
            FUNCTION AND AUDIT COMMITTEE

            (See Independent Budget Analyst's Creation of Position of Internal Auditor chart;
            Independent Budget Analyst's Creation of Audit Committee chart; Stanley
            Keller's June 22, 2007, report; Association of Local Government Auditors' report)

            ACTION: Information only. No action taken.

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

            (See Audit Committee's July 30, 2007, Key Projects Event Timeline)

            ACTION: Information only. No action taken.

ITEM-4:   Approval of the NOMINATIONS TO THE AD-HOC ADVISORY COMMITTEE

            (See Kevin Faulconer's June 4, 2007, memorandum; Mayor Sanders' June 14,
            2007, memorandum; Douglas F. Sawyer's resume; Toni Atkins's June 20, 2007,
            memorandum; William A. Woolson, PhD's, resume; Tony Young's June 14, 2007,
            memorandum; R. Michael McCraw's resume)

            ACTION: Motion by Councilmember Atkins, second by Council President
            Pro Tem Young, to approve the nominations to the Ad-Hoc Advisory Committee.

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

ITEM-5:   Update regarding the PROCESS FOR HIRING AN AUDITING
            PROFESSIONAL TO ASSIST THE AUDIT COMMITTEE

            ACTION: Information only. No action taken.

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ITEM-6:   Review of the CENTRE CITY DEVELOPMENT CORPORATION 2006
FINANCIAL STATEMENT AUDIT

(See Centre City Development Corporation's July 20, 2007, report)

ACTION: Motion by Council President Pro Tem Young, second by
Councilmember Atkins, to forward this item to the Redevelopment Agency.

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

ITEM-7:   Review of the REDEVELOPMENT AGENCY 2003 AND 2004 FINANCIAL
STATEMENT AUDITS AND RELATED SINGLE AUDIT REPORTS

(See Redevelopment Agency's July 30, 2007, PowerPoint)

ACTION: Information only. No action taken. This item will be docketed
for a follow-up presentation at the next meeting of the Audit Committee on
September 10, 2007.

ITEM-8:   The City Comptroller's response to public request regarding CENTRE CITY
DEVELOPMENT CORPORATION LOAN REPAYMENTS TO THE
REDEVELOPMENT AGENCY

(See Greg Levin's July 23, 2007, memorandum)

ACTION: Information only. No action taken.

ITEM-9:   Update from the Chief Financial Officer regarding SOUTHEASTERN
ECONOMIC DEVELOPMENT CORPORATION PERFORMANCE AUDIT

(See Southeastern Economic Development Corporation's Scope of Work)

ACTION: Information only. No action taken.

Kevin Faulconer
Chair