

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

**ACTIONS FOR
MONDAY, JANUARY 28, 2008, 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: Mel Shapiro commented on the San Diego Public Library Foundation audit, the Ad Hoc Committee report, and the Southeastern Economic Development Corporation Financial Statement Audit.

COMMITTEE COMMENT: Councilmember Atkins commented on the audit of the Community Development Block Grant by the Department of Housing and Urban Development.

CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT: The City Attorney commented on the audit of the Community Development Block Grant by the Department of Housing and Urban Development and the purchase of service credit program.

The Independent Budget Analyst commented on invoices received from Jefferson Wells.

ADOPTION AGENDA

Approval of the Record of Action Items for January 7, 2008.

ACTION: Motion by Councilmember Young, second by Chair Faulconer, to approve.

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

ITEM-1: Update from Macias Gini & O'Connell and the City Comptroller regarding the STATUS OF THE 2006 AND 2007 FINANCIAL STATEMENT AUDITS

ACTION: Information only. No action taken.

ITEM-2: Update regarding CORRESPONDENCE WITH THE SECURITIES AND

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EXCHANGE COMMISSION

(See Kevin's Christensen's November 4, 2007, and January 2, 2008, letters to the Securities and Exchange Commission)

ACTION: Information only. No action taken.

- ITEM-3: Review of the 2005 FINANCIAL STATEMENT AUDIT, THE 2005 SINGLE AUDIT REPORTS (THE REPORTS ON COMPLIANCE AND INTERNAL CONTROLS), AND THE SAS 61 LETTER

ACTION: Information only. No action taken.

- ITEM-4: Report from the City Attorney regarding THE 2007 ANNUAL REPORT OF THE CITY OF SAN DIEGO DISCLOSURE PRACTICES WORKING GROUP

(See 2007 Annual Report, Disclosure Practices Working Group dated December 15, 2007)

ACTION: Information only. No action taken.

- ITEM-5: Update from Macias Consulting regarding SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION PERFORMANCE AUDIT

ACTION: Information only. No action taken.

- ITEM-6: Report from the City Internal Auditor regarding the CITY OF SAN DIEGO ANNUAL REPORT ON INTERNAL CONTROLS

(See Eduardo Luna's January 1, 2008, report; Report on Internal Controls January 28, 2008, PowerPoint)

ACTION: Motion by Councilmember Young, second by Chair Faulconer, requesting that the DPWG return to the Audit Committee with a further defined scope and responsibility (see City of San Diego Annual Report on Internal Controls, Recommendation 3)

- ITEM-7: VOTE: 3-0; Faulconer-yea, Young-yea, Atkins-yea
Report from the City Comptroller regarding the KROLL REMEDIATION STATUS REPORT NUMBER SIX AND INTERNAL CONTROLS OVER FINANCIAL REPORTING PROJECT

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(See Jay Goldstone's January 28, 2008, memorandum; Kroll Remediation January 28, 2008, PowerPoint; Mayor's January 28, 2008, memorandum; Assessment and Documentation of Policies)

ACTION: No action taken. This item was not completed due to time constraints; it will be placed on a future agenda.

ITEM-8: Informational report from Jefferson Wells, the Audit Committee's Auditing Professional, regarding the ANALYSIS AND RECOMMENDATIONS FOR AN EFFECTIVE INTERNAL EMPLOYEE HOTLINE

(See Jefferson Wells' January 24, 2008, report; Jefferson Wells' January 28, 2008, PowerPoint)

ACTION: Information only. No action taken.

ITEM-9: Review of the CENTRE CITY DEVELOPMENT CORPORATION 2007 FINANCIAL STATEMENT AUDIT

(See Centre City Development Corporation's January 23, 2008, report)

ACTION: No action taken. This item was not completed due to time constraints; it will be placed on a future agenda.

Kevin Faulconer
Chair