

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

**ACTIONS FOR  
MONDAY, MARCH 24, 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 hotline.

Joy Sunyata commented on internal controls, Internal Audit staffing, and CCDC.

COMMITTEE COMMENT: None.

CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT: Jeff Kavar commented on Jefferson Wells' March 20, 2008, memorandum.

Eduardo Luna commented on five close-out audits.

ADOPTION AGENDA

Approval of the Record of Action Items for March 10, 2008

ACTION: Motion by Councilmember Young, second by Councilmember Atkins, 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 EXCHANGE COMMISSION

ACTION: Information only. No action taken.

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ITEM-3: Report from the Office of Ethics and Integrity regarding 2006 EMPLOYEE HOTLINE COMPLAINTS

(See Jefferson Wells' March 20, 2008, memorandum; Jo Anne SawyerKnoll's March 10, 2008, memorandum)

ACTION: Motion by Councilmember Atkins, second by Councilmember Young, to receive the reports and forward them to Council.

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

ITEM-4: Report from the City Internal Auditor regarding the CITY OF SAN DIEGO CITYWIDE RISK ASSESSMENT AND INTERNAL AUDIT WORK PLAN and RESPONSE TO JEFFERSON WELLS REPORT TO THE AUDIT COMMITTEE BEST PRACTICES, ANALYSIS AND RECOMMENDATIONS FOR: RISK ASSESSMENT DEVELOPMENT, ANNUAL AUDIT WORK PLAN DEVELOPMENT, AND INTERNAL AUDIT FUNCTION STAFFING

(See Internal Auditor's March 19, 2008, response letter; Internal Auditor's March 24, 2008, PowerPoint)

ACTION: Motion by Councilmember Atkins, second by Councilmember Young, to receive the report and forward the report to the Budget Review Committee with the recommendation of a three year maximum implementation through the budget process.

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

ITEM-5: Report from Jefferson Wells, the Audit Committee's Auditing Professional, regarding the REPORT TO THE CITY OF SAN DIEGO AUDIT COMMITTEE BEST PRACTICES, ANALYSIS AND RECOMMENDATIONS FOR: RISK ASSESSMENT DEVELOPMENT, ANNUAL AUDIT WORK PLAN DEVELOPMENT, AND INTERNAL AUDIT FUNCTION STAFFING

(See Jefferson Wells' March 6, 2008, cover letter; Jefferson Wells' March 6, 2008, report)

ACTION: Motion by Councilmember Atkins, second by Councilmember Young to receive the Jefferson Wells report and ask that the Internal Auditor

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include the six recommendations in future risk assessments and Internal Audit Work Plans

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

ITEM-6: Report from the City Attorney regarding THE 2007 ANNUAL REPORT OF THE CITY OF SAN DIEGO DISCLOSURE PRACTICES WORKING GROUP

(See City Attorney's December 15, 2007, report)

ACTION: Motion by Councilmember Atkins, second by Councilmember Young, to forward the report to Council with the inclusion of the IBA's comments.

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

ITEM-7: Review of the HOUSING COMMISSION 2007 FINANCIAL STATEMENT AUDIT

(See Stanley Keller's July 16, 2007, guidance report; Housing Commission's March 5, 2008, report; Housing Commission's February 22, 2008, Report No. HCR 08-20; Reznick Group's June 30, 2007, Single Audit Reports; Reznick Group's June 30, 2007, Internal Control Related Matters; Reznick Group's June 30, 2007, Financial Statements and Independent Auditor's Report)

ACTION: Information only. No action taken.

Kevin Faulconer  
Chair