

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

**ACTIONS FOR
MONDAY, JUNE 9, 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: Joy Sunyata commented on the Internal Controls Over Financial Reporting project, CAFR review, funding for Macias Gini & O'Connell, and a Macias Gini & O'Connell report identifying lack of procedures for computer software usage.

COMMITTEE COMMENT: Chair Faulconer introduced the Audit Committee's new Deputy City Attorney, Brant Will, and commented on Proposition C.

CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT: Deputy City Attorney Brant Will commented on the timeline for certification of Proposition C.

The IBA commented on invoices received from Jefferson Wells.

Internal Auditor commented on the completion of the audit of the Blackwater Facility.

ADOPTION AGENDA

Approval of the Record of Action Items for April 28, 2008

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

VOTE: 2-0; Faulconer-yea, Young-yea, Atkins-not present

ITEM-1: Update from Macias Gini & O'Connell and the City Comptroller regarding the

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STATUS OF THE 2006 (REDEVELOPMENT AGENCY ONLY) AND 2007
FINANCIAL STATEMENT AUDITS

(See Macias Gini & O'Connell's June 9, 2008, report)

ACTION: Information only. No action taken.

ITEM-2: Update regarding CORRESPONDENCE WITH THE SECURITIES AND
EXCHANGE COMMISSION

ACTION: Information only. No action taken.

ITEM-3: Review of the HOUSING AUTHORITY 2007 FINANCIAL STATEMENT
AUDIT

(See Stanley Keller's July 16, 2007, report; Reznick Group's June 30, 2007,
Financial Statements and Independent Auditor's Report; Reznick Group's June 30,
2007, Single Audit Report)

ACTION: Motion by Councilmember Young, second by Chair Faulconer, to
forward the Fiscal year 2007 San Diego Housing Commission
Financial Statement Audit and Single Audit Report to the Housing
Authority with the recommendation to receive and file.

VOTE: 2-0; Faulconer-yea, Young-yea, Atkins-not present

ITEM-4: Report from the City's Internal Auditor regarding PROTOCOLS FOR
PRESENTING INTERNAL AUDIT REPORTS

(See Independent Budget Analyst's Report No. 08-60)

ACTION: Motion by Councilmember Young, second by Chair Faulconer, to
approve the Protocol for Presenting Internal Audit Reports and refer
them to the City Council for consideration.

VOTE: 2-0; Faulconer-yea, Young-yea, Atkins-not present

ITEM-5: Report from Jefferson Wells, the Audit Committee's Auditing Professional,
regarding ANALYSIS AND RECOMMENDATIONS FOR THE HIRING OF

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THE CITY'S OUTSIDE AUDITOR

(See City Attorney's May 30, 2008, memorandum; Jefferson Wells' May 12, 2008, memorandum)

ACTION: Motion by Councilmember Young, second by Chair Faulconer, to accept the Jefferson Wells report with City Attorney and Mr. Keller's comments and bring the contract for the Fiscal Year 2008 Financial Statement Audit to the June 23, 2008 Audit Committee meeting.

VOTE: 2-0; Faulconer-yea, Young-yea, Atkins-not present

ITEM-6: Report from the Independent Budget Analyst and the City Attorney regarding UPDATES TO THE AUDIT COMMITTEE'S CAFR REVIEW PROCESS

(See Edward Angell Palmer & Dodge's May 28, 2008, memorandum; City Attorney's June 6, 2008, memorandum)

ACTION: Information only. No action taken.

Kevin Faulconer
Chair