

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

**ACTIONS FOR
MONDAY, SEPTEMBER 8, 2008, AT 9:00 A.M.**

**COUNCIL COMMITTEE ROOM (12TH FLOOR),
CITY ADMINISTRATION BUILDING
202 C STREET, SAN DIEGO, CALIFORNIA**

For information, contact Steve McNally, Acting Committee Consultant
202 C Street, 10th Floor, San Diego, CA 92101
Email: SMcNally@sandiego.gov
619-236-6622

NON-AGENDA PUBLIC COMMENT: Mel Shapiro commented regarding the CCDC audited financial statements.

COMMITTEE COMMENT: Chair Faulconer expressed thanks to Stacy Roberts for her past work as Consultant to the Audit Committee.

CITY ATTORNEY, IBA, AUDITOR, AND MAYORAL STAFF COMMENT: City Attorney Michael Aguirre commented regarding recovery from San Diego's financial difficulties but that more progress is needed.

Jeff Kavar from the Office of the Independent Budget Analyst commented on Prop C and the progress in reconfiguring the Audit Committee to include three additional public members.

City Auditor Eduardo Luna introduced Tiffany Chung, Paul Alberga, John P. Teevan, and Dee Dee Alari, as new staff members of the auditing team.

ADOPTION AGENDA

Approval of the Record of Action Items for July 31, 2008.

ACTION: This item was continued to the Special Audit Committee meeting of September 15, 2008.

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

(See Macias Gini & O'Connell's September 8, 2008, cover letter to report)

ACTION: Information only. No action taken.

ACTIONS
Audit Committee
September 8, 2008
- 2 -

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

(See City Attorney's July 24, 2008, letter; SDCERS' August 1, 2008, letter)

ACTION: Information only. No action taken.

ITEM-3: Update regarding SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION PERFORMANCE AUDIT

ACTION: Information only. No action taken.

ITEM-4: Update from the City Auditor regarding the CENTRE CITY DEVELOPMENT CORPORATION PERFORMANCE AUDIT

(See City Auditor's September 8, 2008, PowerPoint)

ACTION: Information only. No action taken.

ITEM-5: Review of the City Auditor's FISCAL YEAR 2009 ANNUAL AUDIT WORK PLAN

(See City Auditor's September 4, 2008, memorandum; City Auditor's September 8, 2008, PowerPoint; City Auditor's July 2008, FY 2009 Work Plan)

ACTION: Motion by Councilmember Young, second by Councilmember Atkins, to approve the Fiscal Year 2009 Annual Audit Work Plan and forward to Council.

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

ITEM-6: Update from the City Auditor regarding SPECIAL AUDIT REQUESTS

ACTION: Combined with Item 5. Information only. No action taken.

ITEM-7: Review of the City Attorney and Outside Disclosure Counsel memorandum regarding FEDERAL SECURITIES LAW RESPONSIBILITIES REGARDING REVIEW OF DISCLOSURE DOCUMENTS

(See City Attorney's July 9, 2008, memorandum)

ACTIONS
Audit Committee
September 8, 2008
- 3 -

ACTION: Motion by Councilmember Young, second by Councilmember Atkins, to ask the City Attorney and Outside Disclosure Counsel to provide thoughts and recommendations on this item.

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

ITEM-8: Report from Independent Budget Analyst regarding COMPENSATION FOR OUTSIDE AUDITORS

(See Independent Budget Analyst's Report No. 08-96)

ACTION: Information only. No action taken.

ITEM-9: **NOTE: This item was returned to staff and will be scheduled for a future meeting.**
Review of the FISCAL YEAR 2007 BID TO GOAL AND PAY FOR PERFORMANCE AUDITS and FISCAL YEAR 2008 AUDIT CONSULTANT CONTRACT FOR PAY FOR PERFORMANCE AUDITS

Kevin Faulconer
Chair