

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

**ACTIONS FOR
MONDAY, SEPTEMBER 15, 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: Clive Richard commented regarding the need for strong internal audit controls.

Joy Sunyata inquired regarding when the CDBG audit would be forthcoming, and the need for internal audit controls beyond standard practices and procedures.

Mel Shapiro commented on the issue of the payroll and audit of SEDC.

COMMITTEE COMMENT: None.

CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT: None.

ADOPTION AGENDA

Approval of the Record of Action Items for July 31, 2008, and September 8, 2008

ACTION: Motion by Councilmember Tony Young, second by Councilmember Tony Atkins, to approve the minutes for July 31, 2008 and September 8, 2008.

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

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ITEM-1: Review of the SOUTHEASTERN ECONOMIC DEVELOPMENT
CORPORATION PERFORMANCE AUDIT

(See City Auditor's September 10, 2008, report; Macias Consulting Group, Inc.'s, September 15, 2008, PowerPoint)

ACTION: Motion by Councilmember Tony Young, second by Councilmember Toni Atkins to receive the Performance Audit Report and direct the IBA to review the findings and recommendations in the report and provide the Council with recommendations for amending the Operating Agreement as appropriate to ensure SEDC remains a separate and viable functioning entity with a stronger role for the Mayor and Council as representatives to SEDC's Board and a stronger oversight role for the SEDC Board which includes Board training on their fiduciary responsibilities and that IBA include analysis and recommendations on other processes including budgeting and how information is transmitted; and for all "Management Responses" contained in the Report that request the SEDC Board to report its decisions to the Mayor within 90 Days, the IBA and City Council also receive, review and comment on those particular decisions at a meeting of the City Council and/or appropriate Council Committee immediately after the responses are received; and that the Audit Committee concurs with Recommendation #32 to have another Audit conducted within 18 months for a status review of SEDC's operations and procedures; and that the Audit Committee place an informational or action item on its agendas for the next few meetings to allow the Audit Committee to respond to recommendations from the Mayor or SEDC Board during the next 90 days.

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

Kevin Faulconer
Chair