

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

**Council President Pro Tem Kevin Faulconer, Chair
Councilmember Carl DeMaio
Committee Member Steve Grant
Committee Member Wade McKnight
Committee Member Charles Sellers**

**ACTIONS FOR
MONDAY, MARCH 9, 2009, AT 9:00 A.M.**

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

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All Committee members present.

NON-AGENDA PUBLIC COMMENT: Robert McNamara commented on the need for an internal audit of the CDBG program.

COMMITTEE COMMENT: None.

CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT: Jeff Kavar from the Office of the Independent Budget Analyst gave an update on the Outside Auditor RFP.

ADOPTION AGENDA

Approval of the Record of Action Items for February 23, 2009

ACTION: No action taken. This item will be heard at the March 23, 2009 Audit Committee meeting.

ITEM-1: Update from the Internal Auditor regarding the CENTRE CITY DEVELOPMENT CORPORATION (CCDC) PERFORMANCE AUDIT

(See Independent Budget Analyst's Report No. 09-14; City Auditor's February 27, 2009, report; City Auditor's February 25, 2009, Bi-Weekly Report; City Auditor's March 9, 2009, PowerPoint)

ACTION: Motion by Councilmember DeMaio, second by Chair Faulconer,

ACTIONS
Audit Committee
March 9, 2009

- 2 -

to:

- (a) reject the proposal to expand the CCDC Audit scope;
- (b) direct the Internal Auditor to work with Sjoberk Evashenk to develop a revised project schedule that would include an expedited report on governance; and
- (c) schedule the issues of the SEDC and CCDC operating agreements for the March 23, 2009 Audit Committee Meeting.

VOTE: 5-0; Faulconer-yea, DeMaio-yea, Grant-yea, McKnight-yea, Sellers-yea.

ITEM-2: Update regarding SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION (SEDC) PERFORMANCE AUDIT

(See Independent Budget Analyst's Report No. 09-14; SEDC's February 18, 2009, memorandum; City Attorney's March 3, 2009, memorandum)

ACTION: Motion by Councilmember DeMaio, second by Chair Faulconer, to accept the response from SEDC and to schedule the issues of the SEDC and CCDC operating agreements on March 23rd.

VOTE: 5-0; Faulconer-yea, DeMaio-yea, Grant-yea, McKnight-yea, Sellers-yea.

ITEM-3: Update regarding SAN DIEGO CITY EMPLOYEES RETIREMENT SYSTEM (SDCERS) MANAGEMENT RESPONSES TO THE AUDIT OF INTERNAL CONTROL REMEDIATION

(See Mark Hovey's February 12, 2009, memorandum; Council President Pro Tem Faulconer's January 21, 2009, letter; Stanley Keller's February 25, 2009, letter)

ACTION: Information only. No action taken.

ITEM-4: Report from the Internal Auditor regarding the quarterly report on HOTLINE ACTIVITY FROM OCTOBER 1, 2008 THROUGH DECEMBER 31, 2008

(See City Auditor's January 1, 2009, document "Doing What's Right"; City Auditor's January 23, 2009, report; City Auditor's March 9, 2009, PowerPoint)

ACTIONS
Audit Committee
March 9, 2009

- 3 -

ACTION: Motion by Councilmember DeMaio, second by Committee Member McKnight, to accept the Internal Auditor's Quarterly Report on Hotline Activity from October 1, 2008 through December 31, 2008 and to direct the City Attorney to respond to questions regarding confidentiality requirements of Hotline complaints.

VOTE: 5-0; Faulconer-yea, DeMaio-yea, Grant-yea, McKnight-yea, Sellers-yea.

ITEM-5: Report from the Independent Budget Analyst regarding the PROCESS FOR NOMINATING THE CITY AUDITOR

(See Independent Budget Analyst's Report No. 09-15; City Attorney's March 4, 2009, memorandum; Chief Operating Officer's March 3, 2009, memorandum)

ACTION: Motion by Councilmember DeMaio, second by Chair Faulconer, to adopt the IBA's process for nominating the City Auditor.

VOTE: 5-0; Faulconer-yea, DeMaio-yea, Grant-yea, McKnight-yea, Sellers-yea.

Kevin Faulconer
Council President Pro Tem