

ORDINANCE NUMBER O- 19342 (NEW SERIES)

ADOPTED ON DEC 07 2004

AN ORDINANCE OF THE CITY OF SAN DIEGO AMENDING CHAPTER 2, ARTICLE 2, DIVISION 7 OF THE MUNICIPAL CODE TO ADD NEW SECTION 22.0710 PERTAINING TO THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT.

WHEREAS, on September 20, 2004, the City Council received a report from the law firm of Vinson & Elkins regarding disclosure practices of the City from 1996 through the present [Report]; and

WHEREAS, on September 27, 2004, the City Council considered the adoption of an ordinance implementing recommendations set forth in the Report; and

WHEREAS, one of the issues identified in the Report was the preparation by the City's outside auditor of certain footnotes to the City's Comprehensive Annual Financial Report [CAFR] and other stand-alone financial reports; and

WHEREAS, under relevant accounting rules it may have been proper for the City's outside auditor to prepare such footnotes for a public entity financial statement, but it is not considered to be a "best practice" and is prohibited in the private sector; and

WHEREAS, in addition to the recommendations in the Report, the City Council directed that the City Attorney return to City Council with an appropriate action to require a City Council hearing on the CAFR upon its completion and transmittal, and to preclude the preparation of footnotes in the CAFR or any stand-alone financial statement of the City by the City's outside

auditor, and to require that the City Auditor & Comptroller's Office prepare all such footnotes;

NOW THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Article 2, Division 7 of the Municipal Code is hereby amended to add the following:

§22.0710 Comprehensive Annual Financial Report

- (a) Immediately upon completion of the City's Comprehensive Annual Financial Report [CAFR] the City Auditor and Comptroller shall request that a hearing on the CAFR be placed on the agenda for presentation in an open session of the City Council. Such hearing shall be placed on the agenda for a date not later than thirty (30) days following the request, and the hearing shall not be continued for any reason except for an emergency as reasonably determined by the Mayor acting as the Rules Committee.
- (b) Notwithstanding any rule or standard of accounting practice, whether federal, state or local, or any provision of the Municipal Code, the City Auditor and Comptroller's Office shall be responsible for, either alone or in conjunction with appropriate City departments or related agencies, the preparation all footnotes to the City's CAFR, and any stand-alone financial statement prepared by the City Auditor and Comptroller's Office.

Section 2. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By



Leslie J. Girard
Deputy City Attorney

LJG:ai
11/08/05
Or.Dept:Atty
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