



THE CITY OF SAN DIEGO

DATE ISSUED: November 29, - 2006 REPORT NO. 06-189  
ATTENTION: Council President and Councilmembers  
Docket of Dec. 4, 2006  
SUBJECT: Ninth Amendment to Agreement for KPMG, LLP.  
REFERENCE: FY 2003 Financial Statement Audit

REQUESTED ACTION:

Given the continued importance of a thorough review, the Mayor is requesting that the City Council authorize a ninth amendment with KPMG for an additional \$1.8 million for Fiscal Year 2006 for a total contract amount not to exceed \$6,200,000. The \$1.8 million will be used to pay for KPMG services provided during Fiscal Year 2007.

Authorize the Auditor and Comptroller to appropriate and to transfer up to \$1,080,000 from the Unallocated Reserve to the Public Liability Fund to pay the General Fund portion of this expenditure.

STAFF RECOMMENDATION:

Adopt the Resolution

SUMMARY:

On January 27, 2004, the City filed a voluntary financial disclosure concerning, in part, certain errors and correctible statements in the City's FY 2002 Comprehensive Annual Financial Report ("CAFR"). As a result, the FY 2003 CAFR has not been finalized and issued. The City retained the firm of KPMG, LLP to perform the audit of the City's FY 2003 basic financial statements, which are included in the CAFR, before the FY 2003 CAFR is finalized and issued. Through the eighth amendment with KPMG, the City Council has authorized \$4.4 million.



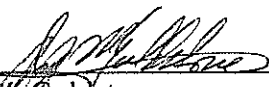
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PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The City retained KPMG to perform the audit of the FY 2003 basic financial statements. The contract has been amended eight times; this action will be the ninth amendment.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

To return to the public finance market the City must complete and issue its basic financial statements.

  
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Jay M. Goldstone  
Chief Financial Officer