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THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: December 18, 2008

IBA Report Number: 08-122

City Council Docket Date: January 5, 2009

Item Number: #

Appointment Process for New Public Audit Committee Members

OVERVIEW

On June 3, 2008, voters approved Proposition C changing the City Charter with respect to the composition of the Audit Committee. The new language in City Charter section 39.1 calls for a reconfigured Audit Committee comprised of two members of the City Council (one to serve as Chair of the Committee) and three public members. On December 16, 2008, the City Council appointed Councilmember Faulconer to continue as the Chair of the Audit Committee and Councilmember DeMaio to serve as the other councilmember assigned to this Committee.

This report reviews the process for soliciting applications for the three public Audit Committee positions. The report further describes the process the City Council will utilize to select three Committee members from the six qualified public candidates that will be before them on January 5, 2009.

FISCAL/POLICY DISCUSSION

Soliciting Public Member Applications

On July 28, 2008, the City Council adopted Resolution R-303970 appointing two outside financial experts to the Screening Committee and directing the IBA to initiate solicitation efforts for public Audit Committee member candidates in consultation with the appointed Screening Committee. In keeping with recommendations provided in IBA Report 08-67, the IBA used a multi-faceted approach for soliciting public candidate interest that included:



Office of Independent Budget Analyst

202 C Street, MS 3A • San Diego, CA 92101
Tel (619) 236-6555 Fax (619) 236-6556

- City website postings
- CityTV 24 ads
- Ads in local newspapers and online publications
- Website postings with professional financial and audit organizations
- Directly soliciting candidate identification assistance from major accounting firms
- Soliciting candidate identification assistance from the City's professional audit consultant, City Councilmembers, and other professional contacts

Application periods were opened and closed several times beginning in August 2008 to allow the Screening Committee time to review candidate qualifications and the Office of the City Attorney time to conduct candidate background checks. The Screening Committee met five times beginning in August 2008 and reviewed 16 public member applications. At their final meeting on December 8, 2008, the Screening Committee determined that six of the 16 candidate applications received were qualified and recommended that they be forwarded to the City Council for consideration.

Screening Committee Composition and Applied Criteria

In accordance with City Charter section 39.1, and following City Council appointment actions on July 7th and July 28th, the Screening Committee was comprised of the following representatives:

- Kevin Faulconer (City Councilmember for District 2)
- Andrea Tevlin (City's Independent Budget Analyst)
- Mary Lewis (City's Chief Financial Officer)
- Tracy Sandoval (Auditor & Controller / Assistant CFO for County of San Diego)
- Ed Kitrosser (CPA and Audit Partner for Moss Adams LLP San Diego)

The Screening Committee was charged with vetting the qualifications of public Audit Committee candidates and recommending a pool of at least two candidates for each of the three new public member positions. The City Council would then consider these candidates for appointment. Candidates were evaluated based on the criteria set forth in City Charter section 39.1 which provides:

"Public members of the Audit Committee shall possess the independence, experience and technical expertise necessary to carry out the duties of the Audit Committee. This expertise includes but is not limited to knowledge of accounting, auditing and financial reporting. The minimum professional standards for public members shall include at least 10 years of experience as a certified public accountant or as a certified internal auditor, or 10 years of other professional financial or legal experience in audit management."

In instances where a candidate did not possess 10 years of experience as either a CPA or CIA, the Screening Committee further evaluated candidate experience by using guidelines developed by American Institute of Certified Public Accountants (AICPA) for evaluating the qualifications of audit committee members. The Screening Committee

asked several candidates to submit additional information regarding their qualifications after providing them with the AICPA's list of experience attributes for financial expertise as it relates to the work of audit committees. This additional information from some of the candidates helped the Screening Committee determine whether certain candidates met the required qualifications as set forth in the City Charter.

Recommended Public Member Candidates

The Screening Committee determined that the six candidates listed below were qualified and recommended that the City Council consider them for the three open public Audit Committee member positions. The Office of the City Attorney has reviewed the backgrounds and cited experience of each candidate. Candidate application forms and resumes are attached to this report.

- Robert Campbell
- Stephen Grant
- Wade McKnight
- Merice Nelles
- Peter Parmenter
- Charles Sellers

Council Process for Appointing Three Public Members to the Audit Committee

City Council Policy 000-13 sets forth a procedure for Council appointments. The IBA reviewed this Council Policy with the City Clerk to better understand the established process. When there are multiple candidates for multiple appointments, the established process is as follows:

1. The Council President calls on each candidate whose name appears on the docket as a nominee to make a presentation to the Council in support of their candidacy for appointment. Presentations should not exceed three minutes.
2. The Council President calls on members of the Council to ask brief questions of any of the candidates concerning either their presentation or matters contained in their application filed with the City.
3. The City Clerk provides ballots to the Council and each Councilmember votes for the candidates he/she feels to be most qualified and returns the ballots to the City Clerk. Each Councilmember has one vote for each of the three public Audit Committee positions, or three votes to assign to three of the six candidates.
4. The three candidates receiving the highest number of votes (minimum of five) shall be appointed to the three vacancies. In the event that no candidate receives a minimum of five votes or a tie between candidates for the final vacancy, additional rounds of voting would take place until the minimum vote requirement is achieved or the tie is broken.

City Charter section 39.1 specifies 1) that public members of the Audit Committee shall serve for four-year terms (limited to two full consecutive terms) and 2) appointments be made so that not more than one term of office shall expire in any one year. In order to accomplish this latter provision, the Office of the City Attorney recommends initial appointments of two, three and four year terms.

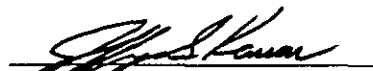
It should also be noted that all but one of the candidates resides in the City. Robert Campbell resides in the County of San Diego (Encinitas). Although Council Policy 000-13 indicates that it is the intent of the City Council to appoint residents of the City, it explicitly provides that an exception can be made for qualified applicants who reside within the County. The IBA recommends that the City Council grant this exception for Mr. Campbell and consider him as a candidate for the public Audit Committee member positions.


CONCLUSION

An extensive public candidate solicitation and evaluation process has been undertaken since voters adopted Proposition C on June 3, 2008. In accordance with the City Charter, the required Screening Committee has reviewed sixteen candidate applications and forwarded six to the City Council for consideration for three public Audit Committee member positions. If the City Council makes the three public member appointments on January 5, 2009, a reconfigured Audit Committee will be seated for the first scheduled meeting of the new year, on January 12, 2009.

The IBA recommends that the City Council make the three public member appointments at their meeting on January 5, 2009. The Audit Committee has already requested their professional audit consultant, Jefferson Wells, to prepare a useful Audit Committee member handbook and an orientation presentation in anticipation of seating the new Committee at their January 12th meeting. It is also important to note that seating the new Audit Committee will enable the City Council to confirm a City Auditor appointment. The Office of the City Attorney previously opined that the Mayor must appoint a City Auditor in consultation with the new Audit Committee before the City Council can confirm the proposed appointment. Following this appointment, the City Auditor will report directly to the City Council rather than the Mayor.

Although the timeline for identifying qualified public candidates for these important Audit Committee appointments took longer than originally anticipated, the IBA believes that a thoughtful process was undertaken. The IBA appreciates and acknowledges the assistance of the Screening Committee, particularly the time provided by outside financial experts Tracy Sandoval and Ed Kitrosser.


 Jeff Kawar
 Fiscal & Policy Analyst


 APPROVED: Andrea Tevlin
 Independent Budget Analyst

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Candidate Application # 1

Attentio.

via fax: (619) 236-6556



**City of San Diego - Audit Committee
Candidate for Public Audit Committee Member Appointment**

Candidate Application Form

Applicant's Name: Robert H. Campbell Business Affiliation: None at this time.

Business Telephone: _____

Business E-Mail: _____

**** PLEASE ATTACH A RESUME WITH YOUR QUALIFICATIONS AND BRIEFLY PROVIDE THE INFORMATION REQUESTED BELOW:**

Educational Background:

MBA, Northwestern, 1970
B.S., University of Kansas 1968

Audit Related Experience:

Have assessed, prepared reports, and supervised the audit process in seven private industries.

Professional Credentials:

(CPA, CIA, or other financial or legal)

MBA

Professional Audit or Financial Organization Memberships:

San Diego's CFO Roundtable
Financial Executives Networking Group (FENG)

Experience or Special Knowledge Pertaining to Audit-Related Matters:

See experience.

Civic or Community Experience

(Committees, Boards, Commissions, etc.)

Former President, Olivenhain Town Council

Robert H. Campbell
Applicant Signature

10/5/08
Date

PLEASE FEEL FREE TO PROVIDE ADDITIONAL INFORMATION OR LETTERS OF ENDORSEMENT.
THANK YOU FOR YOUR INTEREST IN SERVING OUR CITY GOVERNMENT.

Please send completed Application & Resume by e-mail (to adlba@sandiego.gov), fax (619-236-6556) or mail to:
The Office of the Independent Budget Analyst, 202 C Street, MS3A, San Diego, CA 92101, Attn: Jeff Kavar

Robert H. Campbell

CAREER SUMMARY

Accomplished Northwestern MBA senior executive, with 25+ years of experience in strategic planning, financial/credit re-structuring, debt management/elimination, profit improvement, sales acceleration, operating efficiency, mergers and acquisitions, repair of troubled companies, and high-performance team formation. Experienced as **Chief Financial Officer, Chief Operating Officer, and Board Member** for companies in the following industries: **Banking, Insurance, Software Technology/Internet, Healthcare/Biotech, Retail Food Manufacturing and Distribution, Civil Engineering, and Residential Home Building and Land Development**. Companies ranged from start-ups to multi-million dollar/multi-state corporations. Expertise in leading companies out of financial trouble, planning and managing accelerated growth, capital acquisition, quality process implementation, product innovation (concept to market), and overall productivity and profitability. Trusted advisor to private company owners.

PERSONAL QUALIFICATIONS

- Leadership
- Turn-around Specialist
- Marketing and Sales Management
- Strategic Planning
- Organizational Development
- Financial Planning and Budgeting
- Quality Process Design and Implementation
- Cost/Benefit Technology Utilization
- Productivity and Profitability Improvement
- Operating Efficiency
- Product/service Development
- Debt-restructuring; Creative financing
- Information Technology Infrastructure
- Tax reduction

SIGNIFICANT ACHIEVEMENTS

Strategic Planning

- Designed and implemented the restructuring and re-financing plan for restoring the profitability of a \$240 million San Diego company, culminating in record earnings and record stock appreciation.
- Created and managed the strategic plan for rebuilding a \$1.4 billion failed financial company into a nationally recognized, premier-performing business bank.
- Developed and implemented the wholesale and business-to-business marketing strategic plans for a successful venture-capital funded, Internet-based software development enterprise.

Finance

- Arranged multi-million-dollar, unsecured financing to save a 300+ employee, nationwide firm. Fiscal leadership increased company value 30%, amidst steady-to-declining stock market.
- Utilizing "zero-based" budgeting, reduced the \$15 million operating expenses of a San Diego corporation by \$1 million in one year, while simultaneously improving performance. Company value increased in one year more than any annual improvement in the company's 50+ year history.
- Created the entire financial operations for a \$1 billion California organization.
- Arranged \$15 million emergency financing, amidst severe credit difficulties, preventing IRS action.
- Private placement, IPO, LBO, Investment Banking, and other capital-raising/exit strategy experience.

Organizational Development

- Designed business infrastructures from the ground up, including information management, accounting, finance, budgeting, marketing, data processing, quality control, and human resources departments.
- Hands-on experience in designing organizational structures, writing job descriptions, establishing efficient work-flows, improving communications, and measuring productivity.

Technology

- Created and managed the first Chief Information Officer position for a major San Diego firm.
- Managed the de-conversion of a failed operating system for a financial services company.
- Supervised the conversion of the entire data processing operation for two mergers.



City of San Diego - Audit Committee
Candidate for Public Audit Committee Member Appointment

Candidate Application Form

Applicant's Name: Stephen B. Grant Business Affiliation: _____

Business Address: _____
(Including ZIP) _____

Business E-Mail: _____

**** PLEASE ATTACH A RESUME WITH YOUR QUALIFICATIONS AND BRIEFLY PROVIDE THE INFORMATION REQUESTED BELOW:**

Educational Background:

MBA - University of California, Irvine
BA - Texas State University

Audit Related Experience:

SAIC - Manager of IT SOX Compliance
Deloitte & Touche - Auditor
Department of Defense - multiple audit positions

Professional Credentials:

(CPA, CIA, or other financial or legal)
Certified Information Systems Auditor (CISA)

Professional Audit or Financial

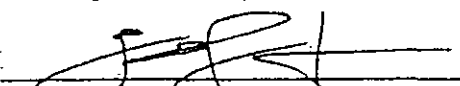
Organization Memberships:
Information Systems Audit and Control
Association (ISACA)

**Experience or Special Knowledge
Pertaining to Audit-Related Matters:**

Sarbanes-Oxley auditing; business process
auditing; business systems auditing; IT security

Civic or Community Experience

(Committees, Boards, Commissions, etc.)
City of San Marcos Budget Review Committee


Applicant Signature

10/3/2008
Date

PLEASE FEEL FREE TO PROVIDE ADDITIONAL INFORMATION OR LETTERS OF ENDORSEMENT.
THANK YOU FOR YOUR INTEREST IN SERVING OUR CITY GOVERNMENT.

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The Office of the Independent Budget Analyst, 202 C Street, MS3A, San Diego, CA 92101, Attn: Jeff Kwar

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STEPHEN B. GRANT

Over ten years experience in managing and providing internal and external audits and process improvements related to Sarbanes-Oxley, Internal Control Over Financial Reporting (ICFR), business process design, and information technology in private industry and government, as well as coordinating resolution of disagreements between management and external auditors. Additional experience in enterprise resource planning (ERP) implementation, project management, IT security, risk management, IT governance, strategic planning, budgeting, contracting, education & development, regulatory consulting, and government security.

MBA, Organization & Strategy, with Focus in Information Technology for Management, 2005
University of California, Irvine – The Paul Merage School of Business

BA, Psychology, *magna cum laude*, 1997
Texas State University

PROFESSIONAL EXPERIENCE

MANAGER OF IT SOX COMPLIANCE, SCIENCE APPLICATIONS INT'L CORP (SAIC), San Diego, California 2007 – Present
Selected by this Fortune 300 defense contractor to manage multiple IT audit and compliance projects and coordinate the annual Sarbanes-Oxley (SOX) IT and related Internal Control Over Financial Reporting (ICFR) compliance efforts.

- Coordinated the annual internal IT SOX and ICFR audit and compliance efforts with SAIC's Internal Audit Department across several financially-relevant platforms, while concluding on the severity of Internal Audit's findings. Maintained excellent relationships with all applicable stakeholders, while in a high-stress and political environment.
- Worked closely with SAIC's external auditor to ensure that audit findings are properly evaluated and disputes regarding findings are resolved before being presented to the Audit Committee and subsequently documented in relevant financial disclosures.
- Performed the annual risk assessment and SOX scoping determination on approximately 30 financially-relevant systems to determine the scope and testing methods used for Internal Audit's testing procedures.
- Managed a project to identify IT operational processes, critical financial data, and system access conflicts that could have a potential adverse effect on financial information or operation of a new enterprise resource planning (ERP). Coordinated the development of a monitoring tool to track changes to these critical processes, data, and access permissions.
- Led a project to identify resources and develop processes to insert real-time segregation of duties analysis into the account provisioning process of a legacy and a developing ERP.

SENIOR CONSULTANT, DELOITTE CONSULTING, Santa Ana, California 2006 – 2007
Transferred within Deloitte to this global consulting firm to perform audit readiness, transformational, regulatory, and operational consulting services, with an industry focus on aerospace and defense.

- Selected to fill a Senior Manager position on a project to design a risk tool and strategic audit plan for a Fortune 100 defense contractor. Maintained overall management responsibility for on-going application-specific audits that included audit scoping with client management, development of fee structure, and directing and reviewing of work of subordinate staff and managerial auditors (Consultants, Senior Consultants, and Managers). Developed future business opportunities to assist this client in optimizing multiple application suites and in global IT transformation.
- Managed a project that audited and determined business and IT processes, mapped those processes to best practice processes, made recommendations for process improvements, and assisted the client in implementing those processes and creating related documentation. Performed stakeholder analysis to understand potential impacts of changes on people, policy, and organization. Worked closely with multiple service lines to offer and successfully sell additional services to the client.
- Performed on a project that analyzed current HRIS capabilities and HR and IT staffing levels and made recommendations for phased change and growth. This project was a result of opportunities developed in a previous project managed at this client.
- Supported the implementation of a large-scale ERP by identifying trends in the perceived failure or success of a substantial application implementation, based on the level of support of various stakeholders, including executive management.

SENIOR CONSULTANT, DELOITTE & TOUCHE, San Diego, California 2005 – 2006
Recruited from business school by this Big 4 accounting firm to provide consulting services and provide SOX and ICFR business process and IT audits through the Enterprise Risk Services service line.

- Led staff on a large IT controls audit on multiple financial applications in mainframe, SAP, Oracle Database, Unix/Linux, and Windows environments at Fortune 300 defense contractor. Provided feedback to assist the client in identifying processes that required modification to meet SOX and ICFR requirements. Formatted technical communications to be understood by a non-technical audience, when communicating to non-technical stakeholders. Also audited selected business cycles.
- Performed audit services and led staff on a SOX and ICFR business process and IT audit at a bank holding company. Provided feedback to the client to assist them in identifying processes that required modification to meet SOX and ICFR requirements.



The City of San Diego

**City of San Diego – Audit Committee
Candidate for Public Audit Committee Member Appointment**

Candidate Application Form

Applicant's Name: Wade McKnight Business Affiliation: J.H. Cohn LLP

Business Address:
(Including ZIP)

E-Mail Address: N/A

**** PLEASE ATTACH A RESUME WITH YOUR QUALIFICATIONS AND BRIEFLY PROVIDE THE INFORMATION REQUESTED BELOW: ATTACHED**

Educational Background:

Audit Related Experience:

Professional Credentials:
(CPA, CIA, or other financial or legal)

Professional Audit or Financial
Organization Memberships:

Experience or Special Knowledge
Pertaining to Audit-Related Matters:

Civic or Community Experience
(Committees, Boards, Commissions, etc.)

Wade C. McKnight

9/3/08

Applicant Signature

Date

PLEASE FEEL FREE TO PROVIDE ADDITIONAL INFORMATION OR LETTERS OF ENDORSEMENT.
THANK YOU FOR YOUR INTEREST IN SERVING OUR CITY GOVERNMENT.

Please send this completed Form and Resume by e-mail (to sdiba@sandiego.gov), fax (619-236-6556) or mail to:
The Office of the Independent Budget Analyst, 202 C Street, MS3A, San Diego, CA 92101, Attn: Jeff Kowar

Wade McKnight*Partner*

Wade McKnight, CPA, is an audit partner at J.H. Cohn who has over 25 years of experience in public accounting serving public and private companies as well as intimate involvement in mergers and acquisitions and other capital transactions. He has served as lead partner for larger public companies with multi-location operations and he has worked with numerous development stage enterprises. He has extensive experience working with complex revenue recognition issues.

Wade has extensive experience in technical areas of audits and review of clients in such diverse industries as distribution, software, manufacturing and gaming.

His past experience includes serving as the Nevada managing partner at a Big Four firm. He joined J.H. Cohn in San Diego and leads our audit practice. He also is a partner in the Firm's SEC and Capital Markets practices.

Wade graduated from the University of Kentucky where he received his Bachelor of Science degree in Accounting. He is also a member of the American Institute of Certified Public Accountants (AICPA) and the California Society of Certified Public Accountants (CalCPA). Wade is also a regular speaker at university and industry forums.

He has been active throughout his career in serving civic and not-for-profit organizations including Boys and Girls Clubs of America, the United Way and Olive Crest.

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**City of San Diego – Audit Committee
Candidate for Public Audit Committee Member Appointment**

Candidate Application Form

Applicant's Name: Merice Nelles Business Affiliation: Ambronel Associates

**** PLEASE ATTACH A RESUME WITH YOUR QUALIFICATIONS AND BRIEFLY PROVIDE THE INFORMATION REQUESTED BELOW:**

Educational Background:

Wharton School Univ. Penn. MBA '78

Audit Related Experience:

Center for Professional Education '87-'93: Developed auditing seminars.
North Island Credit Union '02-'07: Member and Chairman Supervisory Comm. Oversaw external, internal audits, internal controls.

Professional Credentials:

(CPA, CIA, or other financial or legal)

CPA, Illinois #41,867 Feb. '86

Professional Audit or Financial

Organization Memberships:

American Institute of CPAs, '86-'09

Experience or Special Knowledge

Pertaining to Audit-Related Matters:

Auditing computer-based accounting systems.
Not-for-Profit and Government Accounting and Auditing, including fraud.

Applicant Signature

Civic or Community Experience

(Committees, Boards, Commissions, etc.)

Delaware County Pennsylvania Nursing Service ex officio for accounting and auditing while at Wharton.

August 27, 2008

Date

PLEASE FEEL FREE TO PROVIDE ADDITIONAL INFORMATION OR LETTERS OF ENDORSEMENT.
THANK YOU FOR YOUR INTEREST IN SERVING OUR CITY GOVERNMENT.

Please send this completed Form and Resume by e-mail (to sdibayr@sanidiego.gov), fax (619-236-6556) or mail to:
The Office of the Independent Budget Analyst, 202 C Street, MS3A, San Diego, CA 92101, Attn: Jeff Kavar

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Merice Nelles CPA

INFORMATION SYSTEMS DEVELOPMENT, BUDGETING and ANALYSIS (1979-80):

As financial analyst for Sun Oil Company, developed and monitored performance budgets (22m) and forecasts for worldwide IBM 3300/4300 systems supporting financial and cost accounting, refining, marketing and distribution of petroleum products and human resources. Prepared financial reports using data retrieval software.

VENTURE CAPITAL INVESTMENT (1981-83):

As senior treasury analyst for Alliance Enterprise Corporation, a venture capital subsidiary of Sun Oil Company, Philadelphia, PA, evaluated business plans, financed investments, managed a portfolio of 11 securities (3MM) in broadcasting, cablevision, medical appliances, and manufacturing. Worked closely with major banks -Pittsburgh National, Mellon, Chase Manhattan - and insurance companies -Prudential and Equitable- to secure debt financing with detachable warrants for promising business concerns. Researched and evaluated products, markets and principals. Prepared *proforma* financial statements, cash flow forecasts and risk analyses for prospective investments and refinancing of active portfolio companies. Worked closely with the Federal Bankruptcy Court Southern District of New York as member of creditor committees to work out debtor in possession cases (Chapter 11).

ACCOUNTING AND AUDITING SEMINAR DEVELOPMENT for CPA and Attorney Continuing Professional Education (1987-93):

As Director Seminar Development (resident consultant), Center for Professional Education, Paoli, PA, originated and developed curricula for 8 and 16-hour public and in-house seminars for CPAs, attorneys, financial analysts, financial and tax executives in California, New York, Pennsylvania, Illinois and Texas. The seminars -approved for delivery in the foregoing states- covered financial analysis, financial, cost and management accounting, treasury applications, auditing, taxation, PC based financial information systems. Developed and delivered seminars in *Financing Business Plans* and *Workouts and Turnarounds*. I personally delivered these seminars on numerous occasions in Manhattan, Chicago, Philadelphia, Dallas, San Francisco, and Los Angeles. These deliveries enabled me to acquire customer feedback for future seminar improvement and development of new seminars.

As adjunct instructor for Delaware County Community College, Media PA -1987-92 taught courses in financial accounting, management accounting, macroeconomics, microeconomics, statistics for business and economics, principles of management, marketing and business mathematics. Later at San Diego City College taught financial and management accounting mainly to employees of nearby companies, ending in 1998. My experience in teaching came about from pure enjoyment - no financial incentive.

BUSINESS VALUATION (1998 to date):

Perform business valuations for gift and estate taxes, trust and estate planning, buy-sell agreements, ESOPS, dissolutions and financing. Not a registered or advertised business and is performed privately.



The City of San Diego

**City of San Diego - Audit Committee
Candidate for Public Audit Committee Member Appointment**

Candidate Application Form

Applicant's Name: PETER DIRK PARMENTER Business Affiliation: BioMed Realty Trust, Inc.

Home Address:
(Including ZIP)

Business Address:
(Including ZIP)

SAN DIEGO CA 921033374

San Diego, CA 92128

Telephone: _____

Business Telephone: _____

E-Mail Address: Peter@Parmenter.net

Business E-Mail: PETER.PARMENTER@BIDMEDREALTY.COM

**** PLEASE ATTACH A RESUME WITH YOUR QUALIFICATIONS AND BRIEFLY PROVIDE THE INFORMATION REQUESTED BELOW:**

Educational Background:

Bachelor of Science, Organizational Systems Management (1984)
California State University, Northridge

Professional Credentials:

(CPA, CIA, or other financial or legal)
Working towards my CFE designation
(Certified Fraud Examiner)

Experience or Special Knowledge Pertaining to Audit-Related Matters:

Extensive experience both managing and performing both financial and operational audits, with interest in fraud awareness & detection.

Applicant Signature

Audit Related Experience:

Eighteen years of progressive internal audit experience, both public and private. Extensive overseas work; two Fortune 500 Companies. Currently the Director - Internal Controls (Audit) for a publicly traded REIT based in Rancho Bernardo.

Professional Audit or Financial

Organization Memberships:

Institute of Internal Auditors
Association of Certified Fraud Examiners

Civic or Community Experience

(Committees, Boards, Commissions, etc.)
Parks + Rec Committee, City of Shoreview, MN (197-99)
Former Candidate, City Council - City of Shoreview, MN (196)

Date

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The Office of the Independent Budget Analyst, 202 C Street, MS3A, San Diego, CA 92101, Attn: Jeff Kowar

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Peter D. Parmenter

San Diego, CA 92103-3374

I am currently the Director, Internal Controls for a real estate investment trust (REIT) focused on Providing Real Estate to the Life Science Industry® based in San Diego, CA (www.biomedrealty.com). My previous experiences included work as the Manager of Financial Reporting (Sarbanes-Oxley) for a \$1.3 billion biotech supplier and manufacturer, Senior Internal Audit work for a \$28 billion global wholesaler/distributor/value added reseller of technology products and services, a \$650 million global manufacturer of medical devices and medication safety software, as well as a \$4.3 billion garment manufacturer. Two positions were with Fortune 500 companies (one Fortune 100). As a Big 4 alumnus, I worked on various co-sourced audit initiatives with property and casualty insurance carriers. I was also the National Audit Manager for an \$85 million workers' compensation insurance carrier. I have an extensive background in Internal Audit, including process re-engineering, documentation and testing of key controls for Sarbanes-Oxley (SOX) compliance. Each position has afforded me leadership experience, the ability to develop and manage staff, create time and cost budgets and foster effective partnerships with business management.

Experience

BioMed Realty Trust, Inc.
Director – Internal Controls
San Diego, CA
April 2007 - Present

- Directed Sarbanes-Oxley (SOX) compliance activities across the Company
- Re-engineered company's SOX compliance process
- Initiated risk-based approach to SOX testing
- Reduced reliance on external contractors for SOX testing, resulting in over \$250K savings
- Performed top-down, risk based approach to identify of key controls, including design and implementation
- Monitored company activities to identify potential changes to internal controls
- Maintained thorough understanding of internal controls and the Sarbanes-Oxley Act of 2002
- Drafted company's Business Continuity Plan
- Liaised with other departments to create standardized work processes
- Initiated relationship with outsourced travel management program, including RFP, and revision of existing travel policy

Invitrogen Corporation
Manager – Financial Reporting - Sarbanes-Oxley (SOX) - Worldwide
Carlsbad, CA
May 2006 to April 2007

- Coordinated SOX compliance work for large, multi-national biotech company
- Provided leadership in the effective execution of SOX compliance plans and testing
- Planned and scheduled SOX testing, including staffing of internal and external personnel
- Reviewed SOX documentation, including control narratives and matrices
- Evaluated control design and recommend changes to correct deficiencies
- Evaluated control failures identified during testing
- Monitored company activities to identify potential changes in internal controls
- Coordinated quarterly updating of documentation and certifications from process owners
- Recommended and drove revisions to SOX compliance policies, procedures and programs
- Liaised between external auditors and company management in project management
- Prepared management's assessment on the effectiveness of Internal controls
- Coordinated multiple large international projects simultaneously



City of San Diego – Audit Committee
Candidate for Public Audit Committee Member Appointment

Candidate Application Form

Applicant's Name: Charles T. Sellers Business Affiliation: Sellers & Company
Home Address: San Diego, CA 92129-2149 Business Address: San Diego, CA 92129-2699
Telephone: Business Telephone: ()
E-Mail Address: Business E-Mail: cts

** PLEASE ATTACH A RESUME WITH YOUR QUALIFICATIONS AND BRIEFLY PROVIDE THE INFORMATION REQUESTED BELOW:

Educational Background:
B.S. in Business Administration (Accounting) from San Diego State University (1982)
M.S. in Accountancy (Taxation) from San Diego State University (1984)

Audit Related Experience:
I served on the professional accounting staff of Ernst & Young, LLP for eight years.

Professional Credentials:
(CPA, CIA, or other financial or legal)
Certified Public Accountant (CA)
Accredited Estate Planner (NAEPC)

Professional Audit or Financial Organization Memberships:
American Institute of CPA's
California Society of CPA's

Experience or Special Knowledge Pertaining to Audit-Related Matters:
While at Ernst & Young, I participated in the audits of all the firm's Not-for-Profit clients.

Civic or Community Experience (Committees, Boards, Commissions, etc.)
Rancho Penasquitos Town Council (2 years)
Rancho Penasquitos Planning Board (12 years)

Charles T. Sellers
Applicant Signature

11-24-2008
Date

PLEASE FEEL FREE TO PROVIDE ADDITIONAL INFORMATION OR LETTERS OF ENDORSEMENT. THANK YOU FOR YOUR INTEREST IN SERVING OUR CITY GOVERNMENT.

Please send completed Application & Resume by e-mail (to gdiba@sanidiego.gov), fax (619-236-6556) or mail to: The Office of the Independent Budget Analyst, 202 C Street, MS3A, San Diego, CA 92101; Attn: Jeff Kavar

Charles Thomas Sellers, AEP, CPA

Profile	Thorough background in all phases of taxation and financial accounting. Areas of specific expertise include small businesses, high net worth individuals, trust accounting, estate planning and taxation, employee benefits, compensation and retirement planning, as well as exempt organizations and charitable giving.	
Education	MS in Accountancy with a Taxation Emphasis	1984
	BS in Business Administration with an Accounting Major	1982
	Both degrees conferred by San Diego State University in San Diego, CA	
Career	Sellers & Company - San Diego, CA	1992 - Present
	<i>Managing Partner</i>	
	Responsible for all areas of general practice management for a small Certified Public Accounting firm; including staff training, recruitment and retention. Other duties include operational controls for income, expense and cash flows. Primary source of contact for major clients with various sophisticated tax research and financial planning needs. Participation in compilations and reviews. Supervisory responsibility for all subordinate tax preparation and planning. Primary source of new client development.	
	Ernst & Young - San Diego, CA	1984 - 1992
	<i>Senior Manager</i>	
	Direct supervision of all Managers. Review of sophisticated tax research and planning. Development of new clients. Assisted Partners in practice management and staff recruitment. Tax provision reviews for public companies.	
	<i>Manager</i>	
	Direct supervision of all Seniors. Performance of sophisticated tax research and planning. Coordination and general review of all tax return preparation. Tax provision reviews for private companies and exempt status reviews for non-profit organizations.	
	<i>Senior</i>	
	Direct supervision of all Staff. Detailed review of tax preparation. Performance of basic tax research and planning. Primarily responsible for staff development and indoctrination.	
	<i>Staff</i>	
	Participation in audits, reviews and compilations. Tax return preparation for individuals, estates, trusts, corporations, partnerships and exempt organizations.	
	San Diego State University - San Diego, CA	1982 - 1984
	<i>Graduate Research and Teaching Assistant</i>	
	Assisted Professors with academic research and curriculum development. Taught various taxation and accounting courses to undergraduate students while pursuing and completing graduate degree studies.	
Professional	Certified Public Accountant, State of California (1986) Accredited Estate Planner, NAEPC (2000) Member, American Institute of CPA's Member, California Society of CPA's Member, National Association of Estate Planners and Councils (NAEPC) Member, Estate Planning Council of San Diego	

CITY CLERKS OFFICE
SAN DIEGO, CA

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RECEIVED

REQUEST FOR COUNCIL ACTION
CITY OF SAN DIEGO

1. CERTIFICATE NUMBER
(FOR AUDITOR'S USE ONLY)

TO: CITY ATTORNEY	2. FROM (ORIGINATING DEPARTMENT): Independent Budget Analyst	3. DATE: December 16, 2008
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4. SUBJECT:
Appointing New Public Audit Committee Members

5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.) Jeff Kavar x34764	6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.) Dominika Bukalova x55284	7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED <input checked="" type="checkbox"/>
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8. COMPLETE FOR ACCOUNTING PURPOSES

FUND					9. ADDITIONAL INFORMATION / ESTIMATED COST: None.
DEPT.					
ORGANIZATION					
OBJECT ACCOUNT					
JOB ORDER					
C.I.P. NUMBER					
AMOUNT					

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG. DEPT	ANDREA TEVLIN	12/15/08				
2				9			
3				10	CITY ATTORNEY	BRANT WILL	12/15/08
4				11	ORIG. DEPT	JEFF KAVAR	12-17-08
5					DOCKET COORD:	COUNCIL LIAISON	
6					<input checked="" type="checkbox"/> COUNCIL PRESIDENT	<input type="checkbox"/> SPOB	<input type="checkbox"/> CONSENT
7					<input type="checkbox"/> REFER TO:	<input checked="" type="checkbox"/> ADOPTION	COUNCIL DATE: 1/5/09

11. PREPARATION OF: RESOLUTION(S) ORDINANCE(S) AGREEMENT(S) DEED(S)

Approving the appointments of three public Audit Committee members from a pool of six candidates determined to be qualified by the appointed Screening Committee in accordance with City Charter section 39.1. The City Council will appoint each public member to a term of either two, three or four years to ensure that not more than one term of office shall expire in any one year.

11A. STAFF RECOMMENDATIONS:

12. SPECIAL CONDITIONS

COUNCIL DISTRICT(S): ALL
COMMUNITY AREA(S): ALL
ENVIRONMENTAL IMPACT: NONE.
HOUSING IMPACT: NONE.
OTHER ISSUES: NONE.

000041

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: December 17, 2008
ATTENTION: City Council
ORIGINATING DEPARTMENT: Independent Budget Analyst
SUBJECT: Appointment Process for New Public Audit Committee Members
COUNCIL DISTRICT(S): ALL
CONTACT/PHONE NUMBER: Jeff Kavar 533-4764

REPORT NO:

REQUESTED ACTION: This resolution would approve the appointments of three public Audit Committee members from a pool of six candidates determined to be qualified by the appointed Screening Committee in accordance with City Charter section 39.1. The City Council will appoint each public member to a term of either two, three or four years to ensure that not more than one term of office shall expire in any one year.

STAFF RECOMMENDATION: Adopt the resolution.

EXECUTIVE SUMMARY:

On June 3, 2008, voters approved Proposition C changing the City Charter with respect to the composition of the Audit Committee. The new language in City Charter section 39.1 calls for a reconfigured Audit Committee comprised of two members of the City Council (one to serve as Chair of the Committee) and three public members. On December 16, 2008, the City Council appointed Councilmember Faulconer to continue as the Chair of the Audit Committee and Councilmember DeMaio to serve as the other councilmember assigned to this Committee.

An extensive public candidate solicitation and evaluation process has been undertaken since voters adopted Proposition C on June 3, 2008. In accordance with the City Charter, the required Screening Committee has reviewed sixteen candidate applications and forwarded six to the City Council for consideration for three public Audit Committee member positions. If the City Council makes the three public member appointments on January 5, 2009, a reconfigured Audit Committee will be seated for the first scheduled meeting of the new year, on January 12, 2009.

The Screening Committee has determined that the six candidates listed below are qualified and recommends the City Council consider them for the three open public Audit Committee member positions. The Office of the City Attorney has reviewed the backgrounds and cited experience of each candidate.

- Robert Campbell
- Stephen Grant
- Wade McKnight
- Merice Nelles
- Peter Parmenter
- Charles Sellers

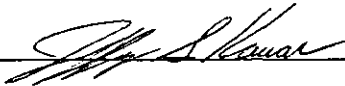
City Council Policy 000-13 establishes a procedure for Council appointments when there are multiple candidates (6) for multiple appointments (3). The City Clerk will oversee the City Council ballot process resulting in these appointments. City Charter section 39.1 specifies 1) that public members of the Audit Committee shall serve for four-year terms (limited to two full consecutive terms) and 2) appointments be made so that not more than one term of office shall expire in any one year. In order to accomplish this latter provision, the Office of the City Attorney recommends initial appointments of two, three and four year terms.

FISCAL CONSIDERATIONS: None.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: On June 23, 2008, the Audit Committee unanimously adopted a motion accepting IBA Report#08-67 and directing the IBA to docket necessary actions for City Council consideration to facilitate establishment of a Screening Committee prior to the Legislative summer recess. On July 28, 2008, the City Council adopted Resolution R-303970 appointing two outside financial experts to the Screening Committee and directing the IBA to initiate solicitation efforts for public Audit Committee member candidates in consultation with the appointed Screening Committee.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None.



Originating Department



Independent Budget Analyst

Attachments:

1 - IBA Report #08-122

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN
DIEGO APPOINTING THE PUBLIC MEMBERS OF THE
AUDIT COMMITTEE.

WHEREAS, Proposition C, approved by voters on June 3, 2008, added Section 39.1 to the City Charter, establishing an Audit Committee composed of two members of the City Council and three public members; and

WHEREAS, Charter Section 39.1 requires that the three public members of the Audit Committee be appointed by the City Council from a pool of not less than two qualified candidates for each vacant position; and

WHEREAS, a screening committee, as required by Charter Section 39.1, has identified six individuals who are qualified to serve on the Audit Committee; and

WHEREAS, Charter section 39.1 provides that the public members of the Audit Committee serve four-year terms and serve until their successors have been appointed and qualified; and

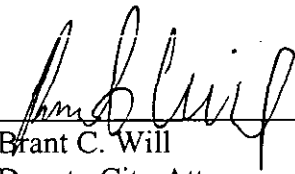
WHEREAS, Charter Section 39.1 provides that no more than one term may expire in any one year so the initial terms of the public members of the Audit Committee shall be for staggered terms of two, three and four years; and

WHEREAS, under Charter section 280(a)(6) the Council appointment of members of the Audit Committee is not subject to veto by the Mayor; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the following public members are appointed to the Audit Committee for a term ending as indicated:

NAME	TERM ENDING
_____	January 5, 2011
_____	January 5, 2012
_____	January 5, 2013

APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Brant C. Will
Deputy City Attorney

BCW:jdf
12/18/08
Or.Dept:IBA
R-2009-750