

**Office of
The City Attorney
City of San Diego**

**MEMORANDUM
MS 59**

(619) 236-6220

DATE: August 20, 2018
TO: Elizabeth Maland, City Clerk
FROM: City Attorney
SUBJECT: Title, Summary, and City Attorney Impartial Analysis for Ballot Measure –
Audit Committee - Public Member Selection (**Measure M**)

The City Council has directed the City Attorney to prepare a ballot title, summary and impartial analysis of a San Diego City Charter amendment measure related to the Audit Committee and Public Member Selection, which the City Council voted to place on the November ballot. (*See* San Diego Resolution R-311913, adopted July 30, 2018.)

The measure seeks voter approval to amend the Charter by amending Article V, section 39.1, Audit Committee.

The City Council adopted San Diego Ordinance O-20965 on July 30, 2018 to submit the Charter amendment measure to the voters on the November 6, 2018 Municipal Special Election ballot.

BALLOT TITLE

Amendments to the San Diego City Charter to Allow the City Council to Waive the Requirement of Considering at Least Two Candidates When a Public Member of the Audit Committee Seeks Reappointment

BALLOT SUMMARY

This measure would amend the San Diego City Charter to allow the City Council to waive the requirement that a screening committee provide a pool of at least two candidates for

consideration for a vacant position as a public member of the Audit Committee, if the public member is eligible for and applies for reappointment.

The City Council placed the measure on the ballot. If approved, the Charter amendments would become effective after they are chaptered by the California Secretary of State.

CITY ATTORNEY'S IMPARTIAL ANALYSIS

In 2008, voters amended the San Diego City Charter (Charter) to establish the City's Audit Committee, to more clearly separate the City's internal auditing function from the Mayor's supervision.

The Audit Committee oversees the City's internal auditing and control practices, directs the City Auditor's work, and recommends the City's outside auditor, monitoring its work.

Charter section 39.1 provides that the Audit Committee is a five-member body comprised of two City Councilmembers and three public members.

The Charter states that the City Council appoints the three public members from a pool of at least two candidates for each vacant position.

The candidate pool is established by a majority vote of a screening committee that includes one City Councilmember, the City's Chief Financial Officer, the City's Independent Budget Analyst, and two outside financial experts. The outside financial experts are appointed by the other three members of the screening committee and confirmed by the City Council.

Public members of the Audit Committee must meet minimum requirements provided in the Charter. This includes at least 10 years of professional experience, as a certified public accountant or as a certified internal auditor, or other professional financial or legal experience in audit management.

Public members serve four-year terms. They are limited to serving two full consecutive terms, with one term intervening before they are eligible to serve another term.

If approved by voters, the Charter amendment would allow the City Council to waive the requirement that there be a pool of at least two candidates for Council consideration when a sitting public member applies and is eligible for reappointment. The public member will have gone through the screening process at the time of his or her initial appointment. The City Council may either waive the pool requirement and reappoint the sitting member, or require that a pool of at least two candidates be submitted for consideration.

The Charter amendment was proposed by the office of the City's Independent Budget Analyst and placed on the ballot by the City Council.