

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: October 10, 2006

IBA Report Number: 06-42

Rules Committee Agenda Date: October 11, 2006

Item Number: 4

Subject: Transmittal of Itemized Matrix of Remediations Proposed by the Kroll Report and the Mayor

On September 6, 2006, the City Council convened a special session to preliminarily discuss remedial recommendations proposed by the City's Audit Committee (Kroll) and the Mayor's proposed response to those recommendations. At the conclusion of that meeting, a motion was adopted in principle to accept the Mayor's proposed responses to the Kroll Remediation Plan knowing that any changes in appropriations, Municipal Code, Council Policy, or City Charter would come back to the City Council for further discussion. The City Attorney explained that accepting and adopting an item in principle means that the City Council retains full discretion to modify, change or alter any of the proposed responses to the 121 Kroll recommendations identified by the Mayor.

The IBA was asked to review the 121 Kroll recommendations identified by the Mayor with the Kroll Remediation Plan for consistency. Additionally, the IBA was asked to develop a matrix for City Council monitoring purposes. In response to this direction and in anticipation of the upcoming specially scheduled City Council meetings, the IBA has developed a matrix (attached) for City Council utilization in further discussing responses to the Kroll Remediation Plan. The IBA will update and redistribute this matrix when City Council decisions are made, issues are further clarified and/or new information is received from either the Mayor or the City Attorney.

The IBA matrix uses the 121 Kroll recommendations originally identified by the Mayor on August 24, 2006 (and those added by the Mayor's Memorandum dated October 5, 2006) as a starting point for review. IBA staff has carefully reviewed each of the recommendations identified by the Mayor against the Kroll Remediation Plan. Our comments have been noted in the column to the right of each of the Mayor identified recommendations. The next column indicates what we believe to be the appropriate authority (City Council, Mayor, SDCERS, Charter/Code Change, or combination thereof) for implementing the contemplated recommendation. Another column attempts to identify the anticipated City Council date for discussion and a final column will show the status of each item.

The IBA has developed the attached matrix as a starting point for City Council discussion and for monitoring follow-up to the Kroll Report. We will update and redistribute this matrix as new information is received. Although there are currently over 120 recommendations, some have been completed or are close to being completed and the remaining can be consolidated to approximately fifty action items. Understanding that significant issues remain to be addressed, the IBA remains confident that the City can expediently take action in response to Kroll's recommended Remediation Plan in a manner that will satisfy both the SEC and the public.

[SIGNED]

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Attachment