

FEB 02 2007

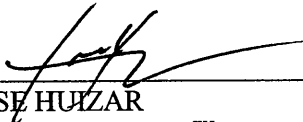
**MOTION**  
**AUDITS AND GOVERNMENTAL EFFICIENCY**

City Charter Section 5.35 allows for interdepartmental fund transfers, not exceeding \$50,000, to occur with Mayoral approval only. These transfers are not subject to Council approval. There is concern that Departments may be using this Charter provision to circumvent appropriate review and avoid following established processes.

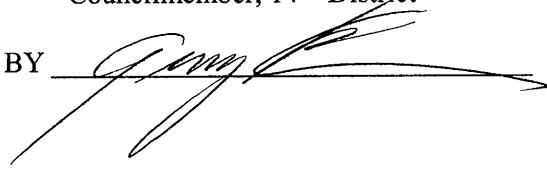
It is imperative that the Council have the necessary tools to be able to effectively analyze the City's current fiscal condition and provide proper oversight in matters pertaining to the expenditure of City funds.

I THEREFORE MOVE that the CAO, with the assistance of the City Controller, report to the Audits and Governmental Efficiency Committee within 60 days regarding the aggregate and annual amounts of interdepartmental transfers under \$50,000 since the 1999 City Charter reform, the purpose of these fund transfers, a list of departments who have utilized this option the most, and whether there is any indication that departments are utilizing this rule to circumvent established City review and requirements, including competitive bidding.

PRESENTED BY

  
JOSE HUIZAR  
Councilmember, 14<sup>TH</sup> District

SECONDED BY



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07-0360