



STAFF REPORT

DATE: August 15, 2017
TO: Ronald L. Olson, City Manager
FROM: Matt Grady, City Auditor
SUBJECT: Update to Audit Committee Charter

BACKGROUND AND FINDINGS:

The Audit Committee Charter was first created in 2013, in conjunction with Article III, Section 40 of the City Charter, as Amended May 11, 2013, which established the city auditor position as a function of the City Council. Under the original Audit Committee Charter, membership consisted of a minimum of three members selected by City Council. Committee meetings required a quorum of at least two members.

In October 2016, City Council approved the addition of two citizen members to the Audit Committee. However, in the absence of a sitting City Auditor, the Audit Committee Charter was never updated to reflect this change in the Audit Committee, or to define the level of participation allowed by the citizen members.

The new City Auditor first proposed a revision to the Audit Committee Charter, which was silent on the issue of citizen member voting rights. The Audit Committee discussed the revisions and decided that citizen members should be accorded voting rights, and should count towards establishing a quorum. The Committee further qualified the language of the Charter in subsequent discussions to ensure that a quorum consisted of at least two elected officials.

THE ALTERNATIVES CONSIDERED:

None.

CONFORMITY TO CITY POLICY:

The Audit Committee Charter requires that the Committee "ensure that the Audit Committee Charter accurately reflects the activities of the Committee and obtain approval from the City Council at least biennially."

FINANCIAL IMPACT:

None.

RECOMMENDATION:

Staff recommends that City Council approve the revised Audit Committee Charter.

DEPARTMENTAL CLEARANCES:

City Auditor

ATTACHED SUPPORTING DOCUMENTS:

Audit Committee Charter