

ORDINANCE NO. 2020-06

AN ORDINANCE ENACTING SECTION 3.03.090 OF THE CENTERVILLE MUNICIPAL CODE REGARDING THE CREATION, ORGANIZATION AND DUTIES OF AN AUDIT COMMITTEE

WHEREAS, the City desires to create an Audit Committee to assist the City Council in its financial oversight responsibilities; and

WHEREAS, the City Council desires to enact a new Section 3.03.090 of the Centerville Municipal Code regarding the creation, organization and duties of the Audit Committee as more particularly set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH:

Section 1. **Enactment.** Section 3.03.090 of the Centerville City Municipal Code regarding the Audit Committee is hereby enacted to read in its entirety as set forth as follows.

3.03.090 Audit Committee

- (a) Creation. There is hereby created an Audit Committee for Centerville City which acts as an advisory committee to the City Council and other departments for the purpose of providing guidance on auditing and financial matters and assisting the City with its financial oversight responsibilities.
- (b) Members.
 - (1) Number. The Audit Committee shall be comprised of five members consisting of the Mayor, one City Council member, the City Manager, the City Finance Director, and one other independent member who is considered a financial expert that is not an employee of the City. The financial expert member should have a working knowledge of government accounting issues and can be a volunteer or paid professional expert or a financial officer from another local government.
 - (2) Appointment. The Mayor, City Manager, and Finance Director shall be appointed automatically as part of their position. Members of the Audit Committee other than the Mayor, City Manager, and City Finance Director, shall be appointed by the Mayor with the advice and consent of the City Council.
 - (3) Term. The Mayor shall serve for the duration of his/her elected position. The City Manager and the Finance Director shall serve for the duration of their employment with the City. The City Council member and financial expert member shall be appointed for a term of two years and may not be appointed to more than two full consecutive terms. Audit Committee members may be removed from office at any time with or without cause by action of the City Council.
 - (4) Compensation. Audit Committee members shall receive no compensation for their services but may be reimbursed for reasonable expenses incurred in the performance of their duties or for training.

(c) Organization and Procedure.

- (1) Chairperson. The Mayor shall serve as the chairperson of the Audit Committee. The chairperson shall oversee the proceedings and activities of the Audit Committee.
- (2) Rules. The Audit Committee may adopt reasonable rules and regulations in accordance with this Section for governing the conduct of its business.
- (3) Meetings. The Audit Committee may hold meetings at such times as the Committee determines is necessary and as properly called with notice given to each Committee member. The Audit Committee should meet as often as necessary to adequately advise the City Council and other departments concerning the selection of an external auditor, the review of annual financial statements, and other items within the Audit Committee's duties.

(d) Duties. The Audit Committee acts in an advisory and voluntary capacity to the City Council and other departments for the purpose of providing guidance on auditing and financial matters and assisting the City with its financial oversight responsibilities. The purpose and duties of the Audit Committee includes the following:

- (1) Review and recommend to the City Council an auditor to audit the City's annual financial statements;
- (2) Review and provide follow up recommendations on auditor findings and management letter comments provided by independent auditors;
- (3) Provide oversight and recommendations regarding the integrity of the City's financial statements, internal controls over the financial reporting process, and compliance with legal and regulatory requirements;
- (4) Recommend to the City Council and other departments policies and procedures for financial reporting, integrity, and accountability;
- (5) Advise the City Council and other departments about annual legislation and State Auditor recommendations and requirements regarding governmental accounting and financial statements.

(e) Functions. The Fraud Risk Assessment Implementation Guide provided by the Office of the State Auditor recommends local government audit committees provide the following functions:

- (1) Ensure management develops and enforces systems that ensure the entity accomplishes its mission effectively and efficiently while complying with laws and regulations;
- (2) Ensure the internal audit function objectively assesses the effectiveness of management's internal control program;
- (3) Ensure financial statement audits are performed by a qualified independent accounting firm and issues identified during those audits are reviewed and resolved as appropriate; and
- (4) Ensure financial complaints are investigated and findings are addressed by the governing body.

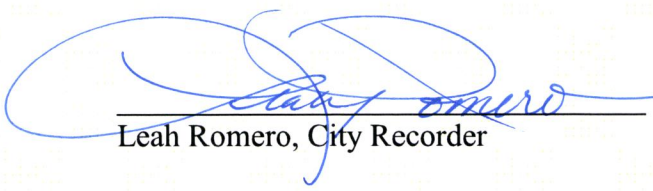
Section 2. Severability Clause. If any section, part or provision of this Ordinance is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Ordinance, and all provisions, clauses and words of this Ordinance shall be severable. This Section shall become effective without codification.

Section 3. Effective Date. This Ordinance shall become effective upon publication or posting, or thirty (30) days after passage, whichever occurs first. In addition, pursuant to *Utah Code Ann.* § 10-3-705, as amended, all ordinances must be recorded by the City Recorder in a book used exclusively for that purpose before taking effect.

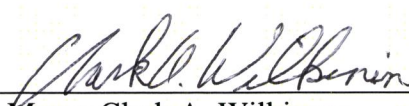
**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE,
STATE OF UTAH, ON THIS 19th DAY OF MAY, 2020.**

CENTERVILLE CITY

ATTEST:


Leah Romero, City Recorder

By:

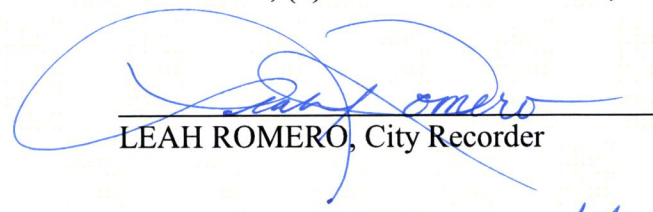

Mayor Clark A. Wilkinson

Voting by the City Council:

	"AYE"	"NAY"
Councilmember Fillmore	☒	☐
Councilmember Ince	☒	☐
Councilmember Ivie	☒	☐
Councilmember McEwan	☐	☒ ABSENT
Councilmember Mecham	☒	☐

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provisions of the U.C.A. § 10-3-713, as amended, I, the municipal recorder of Centerville City, hereby certify that foregoing ordinance was duly passed by the City Council, recorded by me in a book used exclusively for that purpose, and published, or posted at: (1) 250 North Main; (2) 655 North 1250 West; and (3) RB's Gas Station, on the below referenced dates.


LEAH ROMERO, City Recorder

DATE:

May 21, 2020

RECORDED on 19th day of May, 2020.

PUBLISHED OR POSTED on 21 of May, 2020.