

MIDVALE CITY, UTAH

ORDINANCE NO. 2013-O-11

AN ORDINANCE ESTABLISHING THE AUDIT COMMITTEE OF MIDVALE CITY

WHEREAS, the City Council adopted Resolution No. 5/02/2006 R-17 through which they created a Municipal Audit Committee; and

WHEREAS, the City Council also adopted Resolution No. 2011-11 through which they amended the formation of the Municipal Audit Committee; and

WHEREAS, the City Council finds it appropriate to supersede and replace these Resolutions with this ordinance establishing the Audit Committee of Midvale City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Midvale City, Utah as follows:

Section 1. The City Council desires to amend Title 2, Administrative Code, of the Midvale Municipal Code by adding Article IV. Audit Committee as follows:

Article IV. Audit Committee

2.24.400 Creation and Purpose

- A. There is hereby established an Audit Committee to be composed of members appointed by the Midvale City Council.
- B. The purpose of the Audit Committee is as follows:
 - 1. Set and convey the tone of governance and accountability,
 - 2. Select and engage an auditor to audit the city's annual financial statement,
 - 3. Provide oversight of the integrity of the city's financial statements, the internal control over the financial reporting process, and compliance with legal and regulatory requirements,
 - 4. Follow up on auditor findings and management letter comments provided by independent auditors.

2.24.410 Membership

- A. **Members.** The Audit Committee shall consist of three (3) members who shall be selected based on their qualifications and willingness to serve.

1. Two members shall be members of the City Council
2. One member shall be a financial expert, possessing
 - a. an understanding of generally accepted accounting principles and financial statements for state and local governments,
 - b. experience in preparing or auditing financial statements of comparable entities,
 - c. experience in applying such principles in connection with accounting for estimates, accruals, and allowance accounts,
 - d. experience with internal accounting controls,
 - e. an understanding of audit committee functions.

B. Appointments. Members of the Audit Committee shall be appointed by the City Council for terms of three (3) years and may not be appointed to more than two (2) full consecutive terms provided, however, that when the Audit Committee is first established, the terms of the members shall be staggered and one (1) member shall be appointed to serve an initial term of two (2) years. The City Council shall appoint one of the two City Councilmembers on the Audit Committee as Chairperson.

C. Compensation. The City Councilmembers on the Audit Committee shall serve without compensation. The financial expert may be paid a stipend as established by Resolution of the City Council.

2.24.420 Meetings

A. The Audit Committee shall meet as often as necessary in order to adequately advise the City Council concerning selection of the external auditor, the review of the annual financial statement audit, and other items under their oversight.

Section 2. The City Council desires to renumber sections of Chapter 2.24, Article 3, which currently overlap with Article 4.

2.24.400-390.10 Budget.

2.24.410 390.20 Volunteer status and partial indemnification.

Section 3. This ordinance shall be effective upon date of first publication.

PASSED AND APPROVED this 1st day of October 2013.





JoAnn B. Seghini,
Mayor

Voting by the City Council "Aye" "Nay"

Colleen Costello	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Paul Glover	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Robert Hale	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Paul Hunt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wayne Sharp	<input checked="" type="checkbox"/>	<input type="checkbox"/>

ATTEST:


Rori L. Andreason, MMC
City Recorder

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