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CITY OF SANTA FE, NEW MEXICO

BILL NO. 2013-37

INTRODUCED BY:

Councilor Ives
Councilor Bushee

AN ORDINANCE

RELATING TO CHAPTER VI SFCC 1987, BOARDS, COMMITTEES AND COMMISSIONS; CREATING A NEW SECTION 6-5 SFCC 1987 TO ESTABLISH THE CITY OF SANTA FE AUDIT COMMITTEE.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. A new Section 6-5 SFCC 1987 is ordained to read:

6-5 [NEW MATERIAL] AUDIT COMMITTEE

6-5.1 Creation; Purpose.

- A. There is created the city of Santa Fe audit committee, an advisory committee.
- B. The purpose of the audit committee is to advise the city manager, the finance committee and the governing body regarding financial audits and investigations and related policies and procedures in order to promote transparency, accountability, efficiency and effectiveness of city government for the citizens of Santa Fe.

6-5.2 Powers and Duties. The audit committee shall, to the extent possible under the city charter:

1 A. Ensure that all audits, internal and external, conform to generally accepted
2 governmental auditing standards;

3 B. Ensure that the internal auditor position and internal audit functions are independent
4 in accordance with generally accepted governmental auditing standards;

5 C. Review applications for and make recommendations to the city manager for hiring of
6 the internal auditor, a city employee;

7 D. Review and comment on the parts of the internal auditor's personnel evaluations that
8 are non-exempt public records under the New Mexico Inspection of Public Records Act;

9 E. Review and recommend for approval by the finance committee the annual internal
10 audit plan, and modifications thereto;

11 F. Review and make recommendations to the finance committee regarding internal audit
12 reports prepared by the city's internal auditor;

13 G. Review and make recommendations to the finance committee regarding the city's
14 annual external audit;

15 H. Participate in, via one designated member, the request for proposal process for
16 external auditors and make recommendations for the selection of the city's external auditors;

17 I. Review the city's financial reports periodically;

18 J. Review and make recommendations to the finance committee regarding the city's
19 financial policies, procedures, practices and internal controls in place to control the operations,
20 accounting, and regulatory compliance of the city;

21 K. Review audit findings reported by any external audit and make recommendations to
22 the finance committee concerning the corrective action plans proposed by city departments; and

23 L. Advise, review and make recommendations for other matters as requested or
24 assigned by the finance committee and/or city council.

25 **6-5.3 Membership; Chairperson; Terms; Vacancies.**

1 A. *Membership.* The audit committee shall consist of five individuals solicited and
2 appointed by the municipal judge with the advice and consent of the governing body. The members of
3 the audit committee shall include individuals that have experience and knowledge that would assist
4 the governing body in completing the audit committee's purpose and who are qualified by training,
5 experience, and ability to exercise sound and practical judgment regarding the duties and
6 responsibilities of the audit committee. Of the five members no less than one member shall be a
7 certified public accountant, no less than one member shall either be a lawyer or have a law
8 enforcement background, and one member shall be a management consultant. Members shall reside
9 in the state of New Mexico.

10 B. *Chairperson.* The mayor, with the approval of the city council, shall appoint the
11 initial chairperson. The chairperson shall designate the vice chairperson. The chairperson shall serve
12 as chairperson for a period of one year. Following one year of service, the chairperson shall be
13 elected (or reelected) by the members of the Committee. The chairperson may appoint sub-
14 committees and sub-committee chairpersons as needed.

15 C. *Terms.* Two of the members shall be appointed for two year terms and three shall be
16 appointed for three year terms. Subsequent terms shall be for three years to maintain staggering of
17 terms; limited to no more than four (3) year terms.. The members shall serve at the pleasure of the
18 governing body and may be removed at any time with or without cause.

19 D. *Vacancies:* Vacancies on the audit committee shall be filled in the same manner as
20 initial appointments and shall be for the remainder of the term of the vacant position.

21 **6-5.4 Meetings; Staff.**

22 A. *Meetings.* A quorum of the audit committee shall be at least three members. The
23 audit committee shall conduct all meetings in accordance with adopted city policies and procedures
24 and shall use *Robert's Rules of Order* in conducting its meetings. The audit committee shall meet at
25 least quarterly or as needed to accomplish the duties and responsibilities of the committee.

1 B. *Staff.* The internal audit department shall serve as the primary liaison to the
2 committee unless otherwise designated by the city manager. Depending upon the issue, other city
3 staff may also be required to assist the committee.

4 APPROVED AS TO FORM:

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7 GENO ZAMORA, CITY ATTORNEY