DRAF . . CREATION OF POSITION OF INTERNAL AUDITOR
7/13/2007

ISSUE	MAYOR	IBA	CITY ATTORNEY
Appointment and Term	The Office of the City Internal Auditor is hereby established. The Internal Auditor shall be appointed by the City Manager and confirmed by the City Council and shall serve for a term of ten (10) years. The City Internal Auditor may be appointed to two terms.	The Office of the City Internal Auditor is hereby established. The Internal Auditor shall be appointed by the City Manager in consultation with the Audit Committee and confirmed by the City Council and shall serve for a term of ten (10) years. The Internal Auditor should report to and be accountable to the Audit Committee and the City Council. (Source: Kroll Report) The City Internal Auditor may be appointed to two terms.	
Termination	The City Manager, or the Audit Committee by resolution adopted by not less than three quarters of its members, may remove the City Internal Auditor from the office before the expiration of his or her term for misconduct, inefficiency, incompetence, inability or failure to perform the duties of such office or negligence in the performance of such duties, provided that either the City Manager and/or the Audit Committee first states in writing the reasons for such removal and the	The ~~City Manager, or the~~ Audit Committee by resolution adopted by not less three quarters of its members, may remove the City Internal Auditor from the office before the expiration of his or her term for misconduct, inefficiency, incompetence, inability or failure to perform the duties of such office or negligence in the performance of such duties, provided that ~~either the City Manager and/or~~ the Audit Committee first states in writing the	

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	incumbent is given an opportunity to be heard before the full Council in his or her own defense. The City Council may override the decision of the Audit Committee and/or the City Manager to remove the City Internal Auditor based on receiving no less than six votes of the total City Council. Otherwise, neither the City Manager, the Audit Committee nor the Council may remove an incumbent from such office before the expiration of his or her term.	reasons for such removal and the incumbent is given an opportunity to be heard before the full Council in his or her own defense. The City Council may override the decision of the Audit Committee ~~and/or the City Manager~~ to remove the City Internal Auditor based on receiving no less than five votes of a City Council comprised of eight members, or six votes of a City Council comprised of nine members, or an exact two-thirds of total City Council members. Otherwise, neither ~~the City Manager,~~ the Audit Committee ~~n~~or the Council may remove an incumbent from such office before the expiration of his or her term	
Duties and Responsibilities	The City Internal Auditor shall have the following powers and duties: (a) Prepare an annual Audit Plan to identify the areas of the Organization to be audited. The annual Audit Plan will be based on a formal Risk Assessment of City operations. The Risk Assessment will be	**ADD** (item g below is from the originally drafted/distributed straw man language from Lisa): (g) Perform other auditing functions, consistent with other provisions of this Charter, and prepare and submit such other reports, as may be requested by the City Manager, Audit Committee or Council such as but	

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	performed in accordance with the Professional Practice of Internal Auditing. This Risk Assessment will identify the City's activities, organizational units, or functional processes that have the highest level of inherent risk to be included in the annual Audit Plan for audit coverage. (b) Conduct or cause to be conducted an annual audit of internal controls over financial reporting, and post audits of the fiscal transactions and accounts kept by or for the City and its departments, offices and agencies. Such audits shall include but not be limited to the evaluation of key controls over financial reporting, examination and analysis of fiscal procedures and the examination, checking and verification of accounts and expenditures. The audits shall be	not limited to: (4) Assessing City departments, agencies and vendors compliance with appropriate City, State and Federal policies, procedures, laws, regulations, and contracts. (5) Evaluating if City assets are properly accounted for and safeguarded from losses. (6) Reviewing the City's information technology systems to ensure electronic data is accurately processed and adequately safeguarded.	

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	conducted in accordance with Generally Accepted Government Auditing Standards in conjunction with the Internal Standards for the Professional Practice of Internal Auditing, and shall include tests of the accounting records and other auditing procedures as the City Internal Auditor may deem necessary under the circumstances. The audits shall include the issuance of suitable reports of examination so the Audit Committee, Council, Chief Financial Officer, and the public will be informed as to the adequacy of the City's internal controls over financial reporting. (c) Conduct performance audits, as appropriate of any City department, office or agency. A "performance audit" means a post audit which determines with regard to the purpose, functions and duties		

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	of the audited agency all of the following: (1) Whether the audited department, office or agency, is managing or utilizing its resources, including public funds, personnel, property, equipment and space in an economical and efficient manner. (2) Causes of inefficiencies or uneconomical practices, including inadequacies in information management systems, internal and administrative procedures, organizational structure, use of resources, allocation of personnel, purchasing policies and equipment. (3) Whether the purposes and/or functions of the department or agency are being satisfactorily achieved. (4) Whether objectives		

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	established by the City Manager Mayor, Council or other authorizing body are being met. (5) Whether audit recommendations will improve efficiency and effectiveness. (d) Conduct special audits and investigations, as requested by the City Manager, Audit Committee, or deemed necessary by the City Internal Auditor. "Special audits" and "investigations" mean assignments of limited scope, intended to determine: (1) The accuracy of information provided to the City Manager, Audit Committee, Council or public. (2) The costs and consequences of recommendations made to the Council. (3) The validity of accusations of material fraud, waste or abuse		

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	reported through the City's confidential hotline and other sources. (4) Other information concerning the performance of City Departments, Offices or Agencies as requested by the City Manager or Audit Committee. (e) The City Internal Auditor shall have access to, and authority to examine any and all documents including but not limited to books, accounts, internal memoranda, writings and tapes, reports, vouchers, correspondence files, electronic data, and other records, bank accounts, money and other property of any City department, office or agency, whether created by the Charter or otherwise. It is the duty of any officer, employee or agent of the City having control of such records to permit access to,		

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	and examination thereof, upon the request of the City Internal Auditor or his or her authorized representative. It is also the duty of any such officer, employee or agent to fully cooperate with, and to make full disclosure of all pertinent information. All City contracts with consultants, vendors or agencies will be prepared with an adequate audit clause to allow the City Internal Auditor access to the entity's records needed to verify compliance with the terms specified in the contract. (f) Prepare and submit to the Audit Committee, at least quarterly, a written report of the City Internal Auditor's activities and findings, together with any recommendations to improve the administration of the City; (g) Perform other auditing functions, consistent with		

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	other provisions of this Charter, and prepare and submit such other reports, as may be requested by the City Manager, Audit Committee or Council such as but not limited to: (1) Assessing City departments, agencies and vendors compliance with appropriate City, State and Federal policies, procedures, laws, regulations, and contracts. (2) Evaluating if City assets are properly accounted for and safeguarded from losses. (3) Reviewing the City's information technology		

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	systems to ensure electronic data is accurately processed and adequately safeguarded.		