

RESOLUTION NO. 1013-0323

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, ADOPTING THE CITY OF AVONDALE AUDIT COMMITTEE BYLAWS.

WHEREAS, on September 6, 2022, the Council of the City of Avondale (the “City Council”) established the City of Avondale Audit Committee (the “Audit Committee”); and

WHEREAS, the City Council desires to adopt the Audit Committee Bylaws, which will govern the operation of the Audit Committee.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The City of Avondale Audit Committee Bylaws (the “Bylaws”) are hereby adopted in substantially the form and substance attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 3. The Mayor, the City Manager, the City Attorney and the City Clerk are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, March 20, 2023.


kenneth.weise (Mar 22, 2023 10:18 PDT)

Kenneth N. Weise, Mayor

ATTEST:



Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

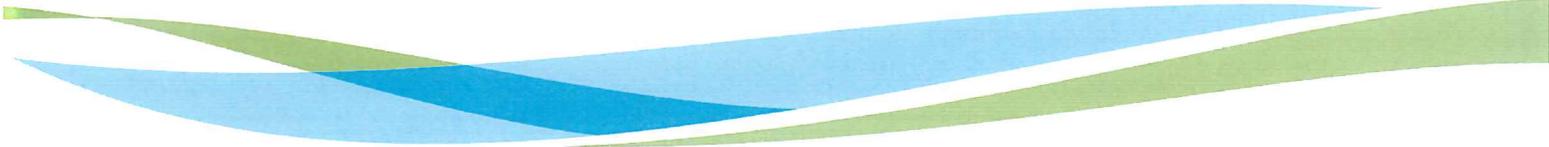

Nicholle Harris (Mar 21, 2023 11:29 PDT)

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1013-0323

[Bylaws]

See following pages.



AUDIT COMMITTEE BYLAWS

Created: February 2023

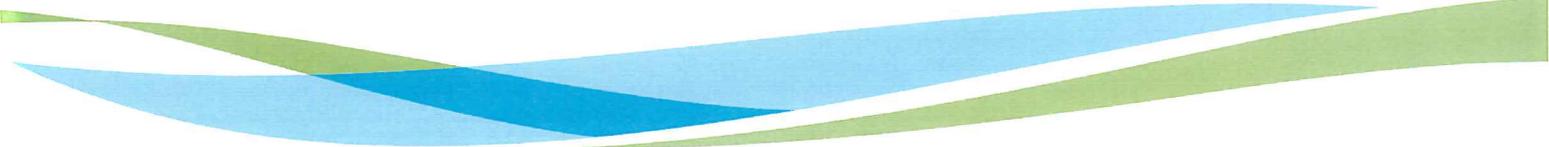
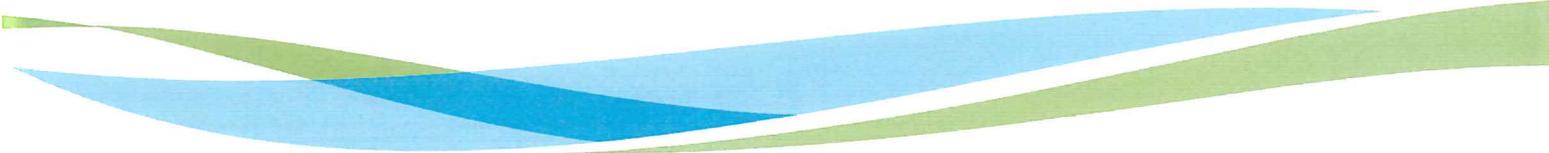


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I. Creation

On September 6, 2022, the City of Avondale Mayor and City Council (the "City Council") approved Ordinance 2051-0922 establishing the City's Audit Committee, as further set forth in sections 2-9 *et seq.* of the Avondale City Code.

II. Purpose

The purpose of the Audit Committee is to provide advice to the City Council in respect to fulfilling its oversight responsibilities regarding the integrity of the City's annual comprehensive financial statement.

The Audit Committee is also responsible for advising the Council and the City Auditor on matters relating to the City's compliance with legal and regulatory requirements, systems of internal controls, management of the citywide risk environments, and the performance of internal and external auditors. Consistent with this function, the Audit Committee will endeavor to encourage continuous improvement of, and foster adherence to, City policies, procedures, and practices.

III. Composition

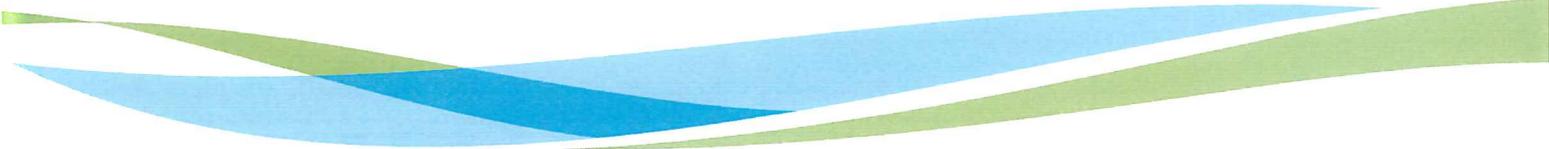
The Audit Committee membership is made up of the following:

- Three City Council members ("Council Representatives")
- Two Public members ("Public Representatives"); and
- Two City staff members, who shall be the City Manager and Finance and Budget Director, or their designees. ("City Representatives")

Council Representatives and Public Representatives shall be considered voting members. City Representatives shall be considered non-voting members.

The City Auditor or their designee shall serve as the City Council liaison and secretary for the Audit Committee. The City Auditor shall prepare agendas, minutes, and reports as directed by the Audit Committee, or as required by the Avondale City Code.

At the first meeting of the Audit Committee of each year, the voting members of the Audit Committee shall designate a Chairperson and Vice-Chairperson. The Chairperson shall act as the presiding officer over all Audit Committee meetings and shall have the authority to sign correspondence as the official representative of the Audit Committee. During the absence of the Chairperson, the Vice-Chairperson shall act as the Chairperson.



TERMS, VACANCIES, REMOVAL

Public Representatives shall serve a term of three years, unless removed pursuant to these bylaws. Council Representatives shall serve a term of two years, unless removed pursuant to these bylaws or upon the cessation of a Council Representative's term on the City Council. There shall be no limit on the number of consecutive terms a Public Representative or Council Representative may serve. City Representatives shall serve for the term of their tenure in their position with the City.

Vacancies that occur by reason other than by expiration of a term shall be filled for the remainder of the term in the same manner as for an initial appointment.

The City Council may remove Council Representatives or Public Representatives according to its rules of procedure.

IV. Voting

Each voting member of the Audit Committee shall have one vote. A quorum shall consist of at least three voting members. A majority vote of a quorum is needed to take action on any matter presented before the Audit Committee.

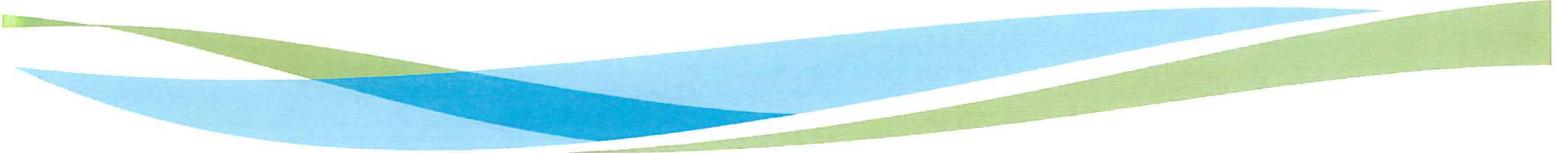
V. Conflict of Interest

Audit Committee members shall not vote on any matter in which they have a substantial interest, as defined in ARIZ. REV. STAT. § 38-502. Audit Committee members shall annually provide written declarations to the Chairperson stating they do not have any conflicts of interest that would preclude them from being members of the Audit Committee.

VI. Responsibilities and Powers

To accomplish the powers and duties of the Audit Committee as set forth in the City Code, the Audit Committee shall.

- Review and approve the City Auditor's Annual Audit Plan;
- Meet with the City's external auditor at least once per year to discuss the City's Annual Comprehensive Financial Report;
- Oversee the Office of the City Auditor's tracking, retention, and treatment of Integrity Line reports;
- Discuss significant risk exposures periodically with independent external auditors and City management;

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- Advise City Council on the appointment, compensation, and the oversight of work of a certified public accounting firm conducting the Annual Comprehensive Financial report pursuant to ARIZ. REV. STAT. § 9-481;
 - Discuss with the City Auditor:
 - Significant audit findings and management corrective action;
 - Difficulties encountered during the performance of an audit, such as limitations on the audit or access to required information;
 - Changes required in the planned scope of the Annual Audit Plan;
 - Changes required to the Office of the City Auditor ordinance;
 - Changes required in the Audit Committee bylaws;
 - Performing other functions as requested by City Council;
 - Results of the Office of the City Auditor's peer review;
 - Significant risk exposures;
 - Steps that City Auditor has taken to identify and report risks;
 - Any other duties prescribed by the Avondale City Code; and
 - Attendance of any employee or volunteer of the City and its enterprises at Audit Committee meetings.

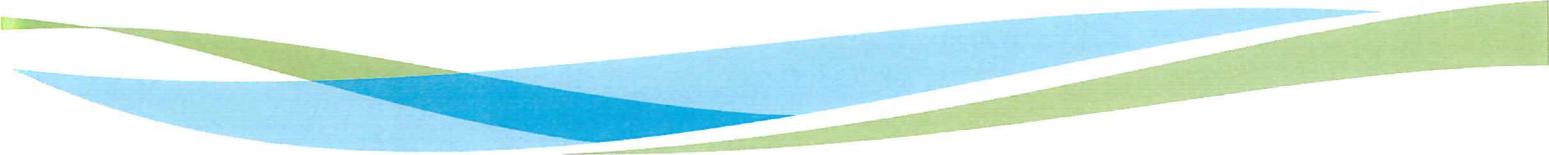
VII. Meetings

The Audit Committee shall meet as frequently as circumstances dictate, but no less than three times annually. All Audit Committee members are expected to attend each meeting, in person or virtually, unless advance notice is provided to the City Auditor, who shall ensure there is a quorum.

The Audit Committee shall, through its Chairperson or the City Auditor, report to the City Council on matters coming before the Audit Committee and decisions rendered.

VIII. Access

Individual Audit Committee members may contact the City Auditor directly for administrative matters; however, when requesting direct action on audit-related projects, a majority vote of members with such authority should be obtained during a public meeting.



IX. Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in the bylaws, it is not the duty of the Audit Committee to plan or conduct audits; or to determine that the city's financial statements and disclosures are complete, accurate, or are in accordance with Generally Accepted Accounting Principles, or other applicable rules and regulations. These activities remain the responsibility of City management and the independent external auditor.

Members of the Audit Committee are entitled to rely on the expertise, knowledge, and professional judgment of City management, the City Auditor, any independent external auditors, and any other consultant or expert retained by the City. The Audit Committee's responsibilities are not to be interpreted as a substitute for the professional obligations of others.

Nothing contained in these bylaws is intended to expand the applicable standards of liability under statutory or regulatory requirements for the City Council.

X. Amendments

The Audit Committee may adopt from time to time such rules of procedure as it may deem necessary to properly exercise its powers and duties. Such rules shall not conflict with the Avondale City Code, or any state or federal rule or regulation.

These bylaws shall become effective upon adoption by the Audit Committee.

Max White
Max White (Feb 22, 2023 20:49 MST)

Audit Committee Chair

Feb 22, 2023

Date

Barbara Coppage
Barbara Coppage (Feb 27, 2023 07:54 MST)

Audit Committee Secretary

Feb 27, 2023

Date