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CITY OF SANTA FE, NEW MEXICO

ORDINANCE NO. 2018-9

AN ORDINANCE

AMENDING SECTION 6-5 SFCC 1987 TO PROVIDE FOR THE PARTICIPATION BY THE AUDIT COMMITTEE IN THE SELECTION OF THE INTERNAL AUDITOR AND ANY CONTRACTOR PERFORMING INTERNAL AUDIT FUNCTIONS; MODIFYING THE MANNER IN WHICH MEMBERS OF THE AUDIT COMMITTEE ARE APPOINTED; CLARIFYING AND STRENGTHENING THE ROLE OF THE AUDIT COMMITTEE; AND MAKING OTHER SUCH CHANGES AS NECESSARY.

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

Section 3. Section 6-5 SFCC 1987 (being Ord. #2013-35) is amended to read:

6-5 AUDIT COMMITTEE.

6-5.1 Creation; Purpose.

A. There is created pursuant to the city of Santa Fe Municipal Charter the city of Santa Fe audit committee, an independent advisory committee.

B. The purpose of the audit committee is to provide an independent body to review such internal and external audits, assessments and investigations of the city's finances and financial systems as may be conducted from time to time and to advise the city manager, the finance committee and the governing body regarding such audits, assessments and investigations, and to recommend the adoption of policies and procedures with respect thereto as will promote the transparency, accountability, efficiency and effectiveness of city government for the citizens of Santa Fe.

1 **6-5.2 Powers and Duties.**

2 The audit committee shall, to the extent possible under the city charter:

3 A. Participate in the selection of the internal auditor, of any independent contractor
4 charged with performing any internal audit functions for the city, and of any external auditors;

5 B. Review and recommend for approval by the finance committee any internal audit
6 plan proposed by the internal auditor or any contractor performing internal audit functions for the
7 city, and any modifications thereto;

8 C. Independently review all internal and external audits, assessments and
9 investigations of the city as may be conducted from time to time, including audits and reviews
10 conducted by federal and state agencies and make recommendations to the city manager, the
11 finance committee and the governing body regarding actions which may be necessary or
12 appropriate in light of any findings, corrective action plans or issues identified in such audits,
13 assessments or investigations;

14 D. Review and make recommendations to the finance committee regarding the city's
15 comprehensive annual financial report;

16 E. Assure that all audits certify that they conform to generally accepted
17 governmental auditing standards;

18 F. Assure that the internal audit functions are independent in accordance with
19 generally accepted governmental auditing standards, whether performed by city staff or outside
20 contractors, or any combination thereof;

21 G. Receive a presentation of and review the city's financial reports, periodically, but
22 not less than twice per fiscal year;

23 H. Advise, review and make recommendations for other matters as requested by the
24 city manager, the finance committee or governing body.

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

1 A. *Membership.* The audit committee shall consist of five (5) individuals appointed
2 by the governing body based upon the recommendation of the municipal judge. The members of
3 the audit committee shall include individuals that have experience and knowledge that would
4 assist the governing body in completing the audit committee's purpose and who are qualified by
5 training, experience, and ability to exercise sound and practical judgment regarding the duties and
6 responsibilities of the audit committee. Of the five (5) members no less than two (2) members
7 shall be certified public accountants, at least one of whom has extensive audit experience; no less
8 than one (1) member shall be a lawyer; and one (1) member shall have business management
9 experience. Members shall reside in the State of New Mexico.

10 B. *Chairperson.* The initial chairperson shall be appointed by the mayor with the
11 approval of the governing body. The chairperson shall designate the vice chairperson. The
12 chairperson shall serve as chairperson for a period of one (1) year. Following one (1) year of
13 service, the chairperson shall be elected (or reelected) by the members of the committee. The
14 chairperson may appoint subcommittees and sub-committee chairpersons as needed.

15 C. *Terms.* Two (2) of the members shall be initially appointed for two (2) year terms
16 and three (3) shall be appointed for three (3) year terms. Subsequent terms shall be for three (3)
17 years to maintain staggering of terms; limited to no more than four (4) terms. The members shall
18 serve at the pleasure of the governing body and may be removed at any time with or without
19 cause.

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

22 **6-5.4 Meetings; Staff.**

23 A. *Meetings.* A quorum of the audit committee shall be at least three (3) members.
24 The audit committee shall conduct all meetings in accordance with adopted city policies and
25 procedures. The audit committee shall meet at least quarterly or as needed to accomplish the

1 duties and responsibilities of the committee.

2 B. *Staff.* The city manager shall designate appropriate staff to serve as the primary
3 liaison to the committee. Depending upon the issue, other city staff may also be required to assist
4 the committee.

5 **6-5.5 Administrative Procedures.**

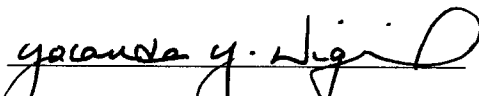
6 The audit committee shall recommend to the governing body for adoption administrative
7 procedures for the exercise of the audit committee's power and duties hereunder.

8 PASSED, APPROVED AND ADOPTED this 11th day of April, 2018.


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12 ALAN M. WEBBER, MAYOR

13 ATTEST:

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16 VOLANDA Y. VIGIL, CITY CLERK

17 APPROVED AS TO FORM:

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20 GENO ZAMORA, INTERIM CITY ATTORNEY