



Council Business Meeting

May 7, 2024

Agenda Item	Re-establishing Municipal Audit Commission AMC Chapter 2.11		
From	Mariane Berry	Finance Director	
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Item Type	Requested by Council <input type="checkbox"/> Update <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Presentation <input type="checkbox"/>		

SUMMARY

The Finance Department desires to re-establish the Municipal Audit Commission which is authorized per Ashland Municipal Code Chapter 2.11. The Commission was disbanded during the pandemic due to lack of participants.

POLICIES, PLANS & GOALS SUPPORTED

“Protect, manage and steward the City’s financial resources for generations to come.”

BACKGROUND AND ADDITIONAL INFORMATION

Under AMC Chapter 2.11, the Municipal Audit Commission, aka “Audit Committee”, was established as a means for the City Council to provide independent review and oversight of the City’s financial reporting processes, internal controls, and independent auditors. The Audit Committee also provides a forum separate from management in which auditors and other interested parties can candidly discuss concerns. It also helps to ensure that management properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management’s practices, and that the independent auditors, through their own review, objectively assess the City’s financial reporting practices.

Per AMC 2.11.010, “The Municipal Audit Commission is established and shall consist of four (4) voting members. Notwithstanding any other provision of the Ashland Municipal Code, four voting members shall be appointed by the City Council and shall consist of the Mayor or a Councilor, one Budget Committee member, and two citizens at large. The City Recorder shall be an ex-officio non-voting member.”

There is currently not a committee in place, nor a process by which to appoint members to the commission annually. Finance Staff recommends re-establishing the Committee. Once the Committee is re-established, Council would appoint members to the Committee by the June 4th or June 18th regular meeting in anticipation of starting the audit process for fiscal year 2024. A request to the community would be made to submit resumes to City Council for citizen appointment to the Audit Committee. Per AMC 2.11.015, in making the citizen at large appointments, the Council shall give preference to persons with accounting or auditing experience, background or expertise. And while it is not required, it would also be useful if such individuals had some public sector and/or fund accounting experience.

Regarding time commitment, it is anticipated that 3-4 meetings of an hour to 90 minutes in length will occur between July-December.

FISCAL IMPACTS

N/A





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SUGGESTED NEXT STEPS

The Audit Commission is re-established. Council appoints from within the body a member to sit on the Audit Commission. Council also appoints someone from the Citizen's Budget Committee. A process is determined to select two citizens to sit on the commission. The four (4) individuals are then appointed and approved by Council in a regular session prior to June 30th, 2024.

REFERENCES & ATTACHMENTS

Attachment 1: Ashland Municipal Code Chapter 2.11

Chapter 2.11

MUNICIPAL AUDIT COMMISSION

Sections:

- 2.11.005 Purpose**
- 2.11.010 Municipal Audit Commission Established**
- 2.11.015 Modified Terms and Qualifications**
- 2.11.020 Duties and Responsibilities**

2.11.005 Purpose

The role and responsibilities of the Municipal Audit Committee were established in June 1991 pursuant to Resolution 91-16 and have been amended by Resolution several times. The City Council desires to codify herein the establishment of the Municipal Audit Commission (formerly known as Municipal Audit Committee). (Ord. 3003, added, 02/18/2010)

2.11.010 Municipal Audit Commission Established

The Municipal Audit Commission is established and shall consist of four (4) voting members. Notwithstanding any other provision of the Ashland Municipal Code, four voting members shall be appointed by the City council and shall consist of the Mayor or a Councilor, one Budget Committee member, and two citizens at large. The City Recorder shall be an ex-officio nonvoting member. (Ord. 3003, added, 02/18/2010)

2.11.015 Modified Terms and Qualifications

- A. *Terms.* Notwithstanding any other provision of the Ashland Municipal Code, the terms of the Mayor or Council or City Recorder and Liaison Budget Committee member shall be for one year, each expiring on December 31 each year. All other terms shall be as provided in AMC [2.10.020](#).
- B. *Qualifications.* In making the citizen at large appointments, the council shall give preference to persons with accounting or auditing experience, background or expertise. (Ord. 3100, amended, 2014; Ord. 3003, added, 02/18/2010)

2.11.020 Duties and Responsibilities

The Municipal Audit Commission shall be responsible to:

- A. Recommend to the council an independent firm of certified public accountants to perform the annual audit of the City.
- B. Analyze and report to the council significant findings in the annual audit report and make recommendations regarding such findings.
- C. Make recommendations, if any, to the council regarding the following financial documents:
 1. Annual financial statements,
 2. Management letter submitted by the independent auditor, and
 3. Response to management letter submitted by city staff.
- D. To effectuate the duties and responsibilities of the Committee, the Committee may require the presence of any city official at its meetings. (Ord. 3003, added, 02/18/2010)

The Ashland Municipal Code is current through Ordinance 3229, passed December 19, 2023.

Disclaimer: The City Recorder's office has the official version of the Ashland Municipal Code. Users should contact the City Recorder's office for ordinances passed subsequent to the ordinance cited above.

[City Website: www.ashland.or.us](http://www.ashland.or.us)

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