

AN ORDINANCE  
BY

13-0-1298

AN ORDINANCE BY COUNCILMEMBER YOLANDA ADREAN TO AMEND THE CHARTER OF THE CITY OF ATLANTA, GEORGIA, 1996 GA LAWS P. 4469, ET SEQ., ADOPTED UNDER AND BY VIRTUE OF THE AUTHORITY OF THE MUNICIPAL HOME RULE ACT OF 1965, O.C.G.A. SECTION 36-35-1 ET SEQ., AS AMENDED, BY AMENDING PART 1 (CHARTER AND RELATED LAWS), SUBPART A (CHARTER), ARTICLE II (LEGISLATIVE), CHAPTER 6 (CITY INTERNAL AUDITOR), SO AS TO AMEND THE ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE AND THE CITY AUDITOR; AND FOR OTHER PURPOSES.

WHEREAS, Chapter Six (6) of the Charter of the City of Atlanta (the "City") establishes the position of the City Internal Auditor and the City's Audit Committee; and

WHEREAS, Chapter Six (6) of the Charter has not been significantly amended since 1996; and

WHEREAS, since that time, there have been significant developments in the roles, responsibilities and composition of public sector audit committees; and

WHEREAS, pursuant to Section 6-308(a) of the Charter, the governing body, defined as the Atlanta City Council through the Finance/Executive Committee, shall provide annually for an independent audit of the accounts and other evidences of financial transactions of the city and departments, boards, and commissions thereof; and

~~WHEREAS, pursuant to Section 2-604(c)(5) of the Charter, the City's audit committee is responsible for providing oversight of the external audit efforts and coverage; and~~

~~WHEREAS, in the area of procurement for the external financial audit, the Government Finance Officers Association's ("GFOA") Recommended Practices include the use of multiyear agreements and the use of a periodic full-scale competitive process with the participation of all qualified firms; and~~

~~WHEREAS, GFOA also recommends an audit procurement process structured so that the principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit; and~~

~~WHEREAS, currently, the Charter and the Code of Ordinances of the City do not provide guidance in procuring a quality audit; and~~

~~WHEREAS, based on the United States Comptroller General's *Government Auditing Standards*, the recommended practices of the GFOA and the Association of Local Government Auditors ("ALGA"), and a review of the Audit Committee's composition, role and responsibilities, including the audit procurement process, compared to those of other local government audit committees, it is in the best interest of the City to clearly define the roles, responsibilities, and composition of the City's audit committee, and to provide guidance for the committee on procuring a quality external audit and providing oversight of the external audit efforts and coverage, as required by the Charter; and~~

~~WHEREAS, the City desires to amend the Charter to better define audit functions within the City.~~

~~THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA HEREBY ORDAINS as follows:~~

~~SECTION 1: That Article II (Legislative), Chapter 6 (City Internal Auditor), of the Charter of the City of Atlanta is amended, as set out below in bold and strikeout text, to revise said Chapter as follows:~~

~~CHAPTER 6. -- CITY INTERNAL AUDITOR~~

~~Section 2-601. -- Selection; removal.~~

- ~~(a) There is hereby created the office of city internal auditor. The city internal auditor must be a certified internal auditor or a certified public accountant, demonstrating at least ten (10) years' experience in public financial and fiscal practices, performance and financial auditing, and municipal accounting. The city internal auditor shall be appointed by a majority of the members of the audit committee for a period of five (5) years, subject to confirmation by a majority of the council. Removal of the city internal auditor from office before the expiration of the designated term shall be for cause by a vote of two-thirds (2/3) of the members of city council.~~
- ~~(b) The city internal auditor need not be a resident of the city at the time of his or her appointment, but he or she shall reside in the city within six months of such appointment and continue to reside therein throughout such appointment.~~
- ~~(c) The city internal auditor shall not be involved in partisan political activities or the political affairs of the city.~~

~~Section 2-602. -- Appointment of assistance and employees.~~

- ~~(a) Pursuant to Chapter 114 of the Code of Ordinances and within the budget approval process and established personnel policies for all departments, the city internal auditor shall have the power to appoint, employ, and remove such assistants, employees, and personnel as he or she may deem necessary for the efficient and effective administration of the office. Neither the members of the council, the president of the council, nor the mayor shall in any manner dictate the appointment or removal of any such officer or employee whom the auditor is empowered to appoint. The present employees in the division of internal auditing of the finance department are hereby transferred to the city internal auditor's office and shall serve such assistants and employees to the city internal auditor as provided herein.~~
- ~~(b) Professional employees employed in this office shall serve in unclassified positions. The city internal auditor shall appoint such other employees subject to the civil service rules, and such employees shall be within the civil service system of the city.~~
- ~~(b)(c) Neither the members of the council, the president of the council, nor the mayor shall in any manner attempt to influence or dictate the appointment or removal of any such officer or employee whom the auditor is empowered to appoint.~~

~~Section 2-603. -- Powers and duties.~~

The city internal auditor and city internal auditor's office shall be charged with the following duties and responsibilities:

- (1) The conduct performance and financial audits of all departments, offices, boards, activities, and agencies of the city in order to independently determine whether:
  - a. Activities and programs being implemented have been authorized by the council, state law, or applicable federal law or regulations and are being conducted and funds expended in compliance with applicable laws;
  - b. The department, office, or agency is acquiring, managing, protecting, and using its resources, including public funds, personnel, property, equipment, and space, economically, efficiently, and effectively and in a manner consistent with the objectives intended by the authorizing entity or enabling legislation;
  - c. The organization, programs, activities, functions, or policies are effective, including the identification of any causes of inefficiencies or uneconomical practices, such as inadequacies in management information systems, internal and administrative procedures, organization structure, use of resources, allocation of personnel, purchasing policies, and equipment;
    - d. The desired result or benefits are being achieved;
  - e. Financial and other reports are being provided that disclose fairly, accurately, and fully all information that is required by law, that is necessary to ascertain the nature and scope of programs and activities, and that is necessary to establish a proper basis for evaluating the results of programs and activities including the collection of, accounting for, and depositing of revenues and other resources;
  - f. Management has established adequate operating and administrative procedures and practices, systems, or accounting internal control systems and internal management controls; and
    - g. Indications of fraud, or abuse or illegal acts are present.
- (2) To submit at the beginning of each fiscal year an audit schedule to the audit committee for review and comment. The schedule shall include the departments, offices, boards, activities, subcontractors, and agencies subject to audit for the period. This schedule may be amended during the period after review by the audit committee. Additionally, the city auditor may initiate and conduct any other audits deemed necessary;
- (3) To submit an annual report to the council and mayor indicating audits completed, major findings, corrective actions taken by administrative managers, and significant findings which have not been fully addressed by management;
- (4) To perform such other duties and responsibilities as provided for by this Charter or ordinance.

Section 2-604. ~~Audit committee; established; powers and duties generally; compensation.~~

- (a) To ensure independence of the audit function, an audit committee is hereby established. The audit committee is an independent management committee and not a public board, commission, or committee as specified in article 3 herein. The audit committee shall be comprised of five voting members who shall include the mayor or mayor's appointee, the president of the council or the president of council's appointee, and three at-large members appointed by the entire city council. The three at-large members shall be residents of the city and shall possess the independence, experience and collective technical

~~expertise necessary to carry out the duties of the Audit Committee. This expertise includes but is not limited to knowledge of financial auditing, performance auditing, financial reporting and accounting. The minimum professional standards for public members shall include at least ten years of experience as a certified public accountant or as a certified internal auditor, or ten years of professional management experience in audit, finance, or law, with expertise in auditing, preferably internal or management auditing, and shall be either a certified public accountant, certified internal auditor, or certified management auditor. Of the three at-large members initially appointed, one member shall be appointed for a term expiring on January 31, 1998, one member shall be appointed for a term expiring on January 31, 1999, and one member shall be appointed for a term expiring on January 31, 2000. Thereafter mMembers shall be appointed for four three-year terms and until their successors have been appointed and qualified. The three at-large members of the Audit Committee are limited to two full consecutive terms, with one term intervening before they become eligible for reappointment. Appointments shall be made so that not more than one term of office shall expire in any one year. Members of the committee shall select a chairperson from among its members yearly.~~

- ~~(b) The audit committee shall consult with the city internal auditor regarding technical issues and work to assure maximum coordination between the work of the city auditor's office and the needs of the council, the mayor, and departments and the coordination of external audit efforts.~~
- ~~(c) The audit committee shall meet as needed to perform its duties but shall not meet less than once quarterly and shall be responsible for:~~
  - ~~(1) Providing general direction to the audit function by reviewing the auditor's annual audit plan and any proposed amendments thereto and submitting the plan and the committee's recommendations to the council;~~
  - ~~(2) Reviewing and approving audit reports before the final audit report is issued;~~
  - ~~(3) Sending copies of draft and final internal audit reports to the mayor, president of the council, and members of the council;~~
  - ~~(4) Performing an evaluation of the city internal auditor annually and reporting the results of the evaluation and effectiveness of the audit function annually to the council;~~
  - ~~(5) Providing oversight of the external audit efforts and coverage, pursuant to Section 2-604(d); and~~
  - ~~(6) Performing such other duties as provided for by an ordinance of the council.~~

~~(d) — To assist the City Council in fulfilling the requirements of Charter section 6-308(a) and to the extent that services of an external auditor are otherwise necessary, the city shall employ such outside audit services according to the procedure set forth below:~~

- ~~(1) Every five years or at such regular intervals as determined by City Council, an independent public accounting and audit firm must be engaged by the City to conduct the City's annual external audit for a contractual period of up to five years.~~
- ~~(2) The selection of the auditor must be through the use of a competitive process with a comprehensive request for proposals document. The audit committee shall provide guidance to the City Auditor and the Department of Procurement in the preparation of the request for proposals, including criteria for selection.~~

- ~~(3) The written request for proposals to prospective financial auditors must include the criteria and weightings for the selection.~~
- ~~(4) The Audit Committee shall appoint an evaluation committee to review proposals in response to the financial auditor RFP. The evaluation committee shall be composed of at least three (3) members including the mayor's appointee or the president of council's appointee on the audit committee, one at-large appointee on the audit committee and the City Auditor or designee.~~
- ~~(5) Each member of the evaluation committee shall assign points to each of the proponents based on a rating scale established by the audit committee. The evaluation committee shall recommend no more than three proponents to the audit committee based on the ratings of each member.~~
- ~~(6) The audit committee shall review the recommendations of the evaluation committee and make a final recommendation for selection of the City's financial auditor to the Finance/Executive Committee for consideration.~~
- ~~(7) Upon approval of the Finance Executive Committee, the selection is to be presented to the City Council for approval.~~

~~(e) Each member of the audit committee as established by section 2-604 of the Charter of the City of Atlanta who is not an elected official or employee of the City of Atlanta shall be paid \$100.00/\$50.00 as compensation for each meeting of the board the member attends, but in no event shall the total amount paid to any member exceed the sum of \$1000.00/500.00 in any one calendar year.~~

~~Section 2-605. - Access to records and property.~~

- ~~(a) All city officers and employees shall allow the city internal auditor immediate access to any and all books, records, documents, personnel, processes (including meetings) and other requested information, including automated data, pertaining to the business of the city and within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts, and methods of business required to conduct an audit or other official duties. In addition, such officers and employees shall provide access for the auditor to inspect all property, equipment, and facilities within their custody. Further, all contracts with outside contractors, vendors and agencies shall include an audit clause to provide for the city auditor's access to all records, and those of their subcontractors, needed to verify compliance with the terms specified in the contract. The City Internal Auditor shall not participate in any activity, decision or meeting that would impair independence of such auditor or violate applicable government auditing standards.~~
- ~~(b) The City Internal Auditor shall not publicly disclose any information received during an audit that is considered confidential by nature by any local, state, or federal law or regulation.~~

- (c) ~~Any reports issued by the City Internal Auditor shall be made available for public inspection or copying at a reasonable cost pursuant to the Georgia Open Records Act.~~
- (d) ~~In the event any city officer or employee shall fail to allow access to any requested information as required in this section, the City Council shall have the power to compel the production of said information by subpoena. If any person duly subpoenaed shall fail to allow access to said information, the City Council shall report such failure to any court of record or judge thereof, who may make such order as shall be proper as to the future production of any such information and who may, after due notice and opportunity to be heard, punish him or her for failure to comply therewith.~~

~~Section 2-606. -- Quality assurance reviews.~~

- (a) ~~The audit activities of the city internal auditor's office shall comply with the U.S. Comptroller General's *Government Auditing Standards*, including requirements for periodic external quality assurance reviews ("peer reviews"). A copy of the written report of the independent review shall be furnished to the council, president of the council, mayor, and members of the audit committee and made available to the public.~~
- (b) ~~The quality review shall determine compliance with generally accepted governmental auditing standards and the quality of audit effort and reporting, including but not limited to staff qualifications, due professional care, and quality assurance; fieldwork standards such as planning, supervision, and audit evidence; and reporting standards such as report content, presentation, and timeliness.~~
- (c) ~~The city shall provide for the cost of peer reviews from funds appropriated to the city internal auditor's budget or other in-kind support as appropriate.~~

~~Section 2-607. -- Funding of auditor's office.~~

~~The council shall provide funds necessary for the facilities, equipment, and staffing of the city internal auditor's office to carry out the responsibilities specified herein and by ordinance.~~

~~Section 2-608. -- Special audits.~~

~~The president of the council or members of council may request the city auditor to perform special audits or assignments of a limited scope intended to determine the accuracy of information provided to council, costs and consequences of recommendations made to the council, and other information concerning the performance of departments, offices, or agencies of the city. After consultation with the audit committee, a special audit requested by the president of the council or members of the council may become an amendment to the annual audit schedule.~~

~~SECTION 2: That at the beginning of each competitive selection process, the Audit Committee is authorized to oversee the establishment of a written policy detailing the selection criteria for the financial auditor.~~

~~SECTION 3: That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.~~

CITY COUNCIL  
ATLANTA, GEORGIA

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**Review List:**

Atlanta City Council

Pending

Certified by Presiding Officer	Certified by Clerk
Mayor's Action <i>See Authentication Page Attachment</i>	