

ORDINANCE NO.: 74 -2008
INTRODUCED BY: Roche

AN ORDINANCE AMENDING SECTION 121.20, "STANDING COMMITTEES", OF THE ADMINISTRATIVE CODE TO ESTABLISH AN AUDIT COMMITTEE; AND DECLARING AN EMERGENCY.

WHEREAS, this Council finds that an Audit Committee should be established as a standing committee of Council to enhance the independence of the auditing of the City's financial statements and to provide a direct link between the auditor and this Council; and

WHEREAS, such audit committees for local governments are recommended in the Governmental Accounting, Auditing and Financial Reporting "Blue Book" published by the Government Finance Officers Association and the establishment of such a committee has been recommended by the State Auditor; and

WHEREAS, it is the intent of this Council that the establishment of an Audit Committee is for the purpose of the Committee acting in an advisory capacity to this Council and to serve as an informed, vigilant and effective overseer of the City's financial reporting process and internal controls.

NOW, THEREFORE, Be It Ordained by the Council of the City of Richmond Heights, State of Ohio, that:

Section 1: Section 121.20, "STANDING COMMITTEES", of the Administrative Code of the City of Richmond Heights is hereby amended to hereinafter read as follows:

"121.20 STANDING COMMITTEES.

(a) Organization.

There shall be the following Standing Committees:

Committee of the Whole;
Audit Committee;
Finance Committee;
Public Safety Committee;
Public Services and Recreation Committee; and
Planning and Zoning Committee.

Each committee, except the Committee of the Whole, shall be composed of the President of Council and four other Councilpersons. One of such other Councilpersons shall be Chair, the President of Council acting as Co-Chair and voting at committee meetings only in the absence of the Chair, or to break a tie vote, or to take action when only two other members of the committee are present. The President of Council shall be Chair of the Committee of the Whole. The members of Standing Committees and their respective chairs shall be appointed by the President of Council. The Clerk of Council shall be the Clerk-Secretary of all Committees of Council. Except in the case of obvious inconsistency or inapplicability, committee meetings shall be governed by the rules applicable to Council proceedings. A majority of the members of a committee, including the President of Council, shall constitute a quorum for the transaction of business. A simple majority vote of a quorum shall be sufficient for a committee to take any action.

(b) Time. The Council Standing Committees, other than the Committee of the Whole and the Audit Committee, shall hold regular meetings on the first and third Tuesdays of each month unless otherwise ordered by Council. The Committee of the Whole shall hold its regular meetings on the second and fourth Tuesdays of each month unless otherwise ordered by Council. The following schedule shall be observed:

First Tuesday:	Planning and Zoning Committee at 7:30 p.m. Public Services and Recreation Committee at 8:30 p.m.
Second Tuesday:	Committee of the Whole at 7:30 p.m.
Third Tuesday:	Public Safety Committee at 7:30 p.m. Finance Committee at 8:30 p.m.
Fourth Tuesday:	Committee of the Whole at 7:30 p.m.
As needed:	Audit Committee shall meet as scheduled by the chair but shall meet not less than once per calendar quarter.

(c) Place. All committee meetings shall be held at City Hall, except when the committee by majority vote decides it would be more advisable to hold the meeting elsewhere.

(d) Audit Committee.

(1) Purpose. The Audit Committee is established for the purpose of acting in an advisory capacity to the Council regarding the City's financial statement audits, monitoring of the audit process, presentation of the audited financial statements, and responding to audit findings. The Audit Committee, however, shall not pre-empt the responsibilities of the City's executive branch with respect to the City financial statement audits.

(2) Functions. The Audit Committee shall perform the following functions:

- A. Review the annual unaudited financial report submitted to the Auditor of State;
- B. Periodically review the process used to prepare interim financial information submitted to the Council;
- C. Review audit results;
- D. Assure that audit recommendations are appropriately addressed; and
- E. Serve as liaison between City management and independent auditors.

The Committee should also establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters. Such procedures should specifically provide for the confidential, anonymous submission by employees of the City of concerns regarding questionable accounting or auditing matters.

(3) General. The Audit Committee shall act independently from the City's executive branch but may seek assistance from the Director of Finance or other administrative personnel of the executive branch. To the extent possible under the circumstances, the members of the Audit Committee shall possess some familiarity with governmental accounting, auditing and financial reporting needed to understand and resolve issues raised by the independent audit of the City's financial statements, and the Committee shall have the authority to hire professionals in such fields to assist the Committee."

Section 2: Current Section 121.20, "STANDING COMMITTEES", of the Administrative Code of the City of Richmond Heights is hereby repealed.

Section 3: It is found and determined that all formal actions of the Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of the Council and any of its

committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 4: This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and general welfare of the citizens of the City of Richmond Heights, and for the reason that it is immediately necessary to establish an Audit Committee in order to assure the fair presentation of the City's financial statements, to monitor the financial statement audit of the City and to respond to audit findings in order that the City can properly function and meets its financial obligations to supply vital services to City residents; wherefore, provided this Ordinance receives the affirmative vote of five members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: _____

Daniel J. Ursu, Mayor

APPROVED: _____

ATTEST: _____

Betsy Traben
Clerk of Council

David H. Roche
President of Council