

ORDINANCE NO. 1393

**AN ORDINANCE ADDING CHAPTER 2.90 TO THE CANBY MUNICIPAL CODE
CREATING AN AUDIT AND FINANCIAL OVERSIGHT COMMITTEE.**

WHEREAS, the City of Canby believes that it is critical to review the adequacy of financial policies, internal controls and ensure that audits of the City's financial statements are completed annually in accordance with Oregon state law; and

WHEREAS, the City Council believes that oversight of the City's financial policies, internal controls and independent auditors is a shared responsibility between City management and the City Council; and

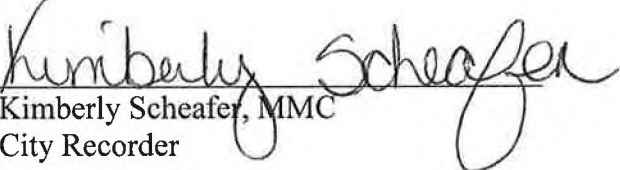
WHEREAS, the City Council desires the opportunity to assist City management in the review and selection of the City's independent auditor; and

WHEREAS, the City Council, without limiting its role or the responsibilities of the City Administrator, believes that an advisory committee to the City Council can ensure transparency in the management of City audits, financial oversight and provide critical assistance to the auditors and management; now therefore

THE CITY OF CANBY, OREGON, ORDAINS AS FOLLOWS:

Section 1. The Canby Municipal Code (CMC) is hereby amended to include Chapter 2.90 Municipal Audit and Financial Oversight Committee. A copy of Chapter 2.90 is attached hereto as Exhibit "A".

SUBMITTED to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, January 15, 2014, and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and scheduled for second reading before the City Council for final reading and action at a regular meeting thereof on Wednesday, February 5, 2014, commencing at the hour of 7:30 pm at the Council Meeting Chambers located at 155 NW 2nd Avenue, Canby, Oregon.


Kimberly Scheafer, MMC
City Recorder

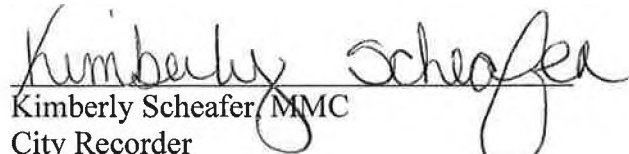
PASSED on the second and final reading by the Canby City Council at a regular meeting thereof on February 5, 2014 by the following vote:

YEAS 5 NAYS 0



Brian Hodson
Mayor

ATTEST:



Kimberly Scheafer, MMC
City Recorder

EXHIBIT "A"

Chapter 2.90: MUNICIPAL AUDIT AND FINANCIAL OVERSIGHT COMMITTEE

2.90.010 Established.

The Municipal Audit and Financial Oversight Committee shall be appointed to serve in an advisory role to the Council.

2.90.020 Membership.

The Municipal Audit and Financial Oversight Committee shall consist of up to three Citizen Committee Members, the Mayor, and up to two City Councilors; number of elected official members not to exceed number of citizen members. No member of the Municipal Audit and Financial Oversight Committee shall have any financial interest, either directly or indirectly, in any contract to which the City is a party, nor shall any member receive a salary or any payment for any materials or for any services rendered the Committee.

2.90.030 Terms of Office; Vacancies.

At the first City Council Meeting of the first year of the Mayor's term all members of this committee will be appointed. The Mayor shall automatically be a member. In the Mayor's absence, the Council President shall serve in this capacity, unless it constitutes a quorum of the Council. Prior to that meeting any Citizen who wishes to be on the Municipal Audit and Financial Oversight Committee shall submit to the City Recorder a Committee Application so that they may be selected at the aforementioned meeting. Ideally, all members of the audit committee should possess or obtain a basic understanding of governmental financial reporting and auditing. The audit committee also should have access to the services of at least one financial expert, either a committee member or an outside party engaged by the committee for this purpose. All members shall serve a two year term. The Mayor may vote only to break a tie, if necessary for the appointment.

Any Committee member failing to attend two consecutive meetings without approval of the Chair may be removed by the City Council and a new Member shall be appointed as soon as practical. The Municipal Audit and Financial Oversight Committee serves at the pleasure of the City Council and are subject to removal at any time by the Council with or without cause.

2.90.040 Duties and Powers.

The duties of the Committee shall include:

- A. Solicit input from the Council regarding audit and financial oversight related issues including but not limited to financial policies and internal control.
- B. Review the credentials of potential auditors and make recommendation to the Council as to the selection of the auditor.
- C. Assure the scope of the audit meets Council requirements.
- D. Assure financial statements and audits meet Council needs and are reported to the Council in a timely manner as required by state law.

- E. Review annually the performance of the auditors, provide that information to the Council, and make recommendation to the Council if a change in auditor is recommended.
- F. Review annually the adequacy of the City's internal controls.
- G. Review annually the adequacy of the City's financial policies.
- H. Meet and review other audit and financial oversight related projects as suggested by the City Council.
- I. The audit committee should 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 government of concerns regarding questionable accounting or auditing matters.

2.90.050 Officers.

At the first meeting of each year, the Committee shall elect a Chair who shall serve for a term of one year ending December 31. The Finance Director shall serve as staff liaison to the Committee and keep the record of its action.

2.90.060 Location of Meetings.

The Municipal Audit and Financial Oversight Committee shall meet at least once per quarter, or more if necessary, at a location open to the public.