

RESOLUTION 2014-16

**A RESOLUTION PROVIDING FOR THE APPROVAL OF THE
UPDATED PROCEDURES AND BYLAW OF THE FINANCE/AUDIT
COMMITTEE**

Whereas, The City of Coburg Audit and Finance Committee was formed on February 10, 2009 to promote issues related to fiscal accountability; and,

Whereas, the purpose of the committee is to act as an advisory body to the City Council and Finance Manager on matters pertaining to oversight responsibilities for financial reporting, audit process, and internal control systems; and

Whereas, to fulfill those responsibilities the Audit must operate under procedures and by-laws.

Now, Therefore, the City of Coburg resolves as follows:

The Procedures and Bylaws of the City of Coburg Audit/Finance Committee shall be updated as stated in the attached copy

The foregoing Resolution was, by City Council consent, considered by the City Council on the 12th of November, 2014, whereupon it was put to a vote, the results of which were:

YES: 5


NO: 0

ABSTAIN: --

PASSED: Yes

REJECTED: —

SIGNED AND APPROVED this 12th day of November, 2014.



Jae Pudewell, Mayor

ATTEST:



Sammy L. Egbert, City Recorder

**PROCEDURES AND BYLAWS
OF THE
FINANCE/AUDIT COMMITTEE**

Adopted by the Finance/Audit Committee on November 12, 2014

ARTICLE I: Establishment

The Coburg Finance/Audit Committee was established on February 10, 2009 and is appointed by the Mayor

ARTICLE II: PURPOSE AND OBJECTIVES

- a. Promote fiscal accountability for the City.
- b. To act as an advisory body to the City Council and Finance Manager on matters pertaining to oversight responsibilities for financial reporting, audit process, and internal control systems.
- c. Review of the City financial statements on a quarterly basis for the purpose of identifying issues of significant financial risk or exposure to the City.
- d. Solicit, interview and recommend the selection of an independent auditor to the City Council. The Finance/Audit Committee shall also recommend the termination or non-renewal of the contract with an independent auditor.
- e. The Audit/Finance Committee shall meet with the independent auditor to the City at the end of the audit process and prior to the presentation of the audit to City Council.
- f. Review of the annual Financial Report and Management Letter.
- g. Monitoring of and follow-up reporting to City Council on the independent auditor's control deficiency recommendations.
- h. Provide the Council with the committee's perspective on the budget performance and financial condition of the City.
- i. Develop recommendations for the improved fiscal policies of the City, including means to communicate budget and financial conditions and issues to the Council.
- j. Monitoring of the City's financial health, asking questions about the City's financial condition. Committee shall submit a written report to the Council semi-annually at a minimum.

ARTICLE III: OFFICERS AND MEMBERSHIP

Section 1. The Audit and Finance Committee shall consist of five (5) persons, one of whom will be an incumbent City Councilor. Five members shall be City residents. Members shall be nominated by the Mayor, and confirmed by the City Council. Interested parties may submit an application for the Committee. The Mayor shall consider such applications.

Section 2. The Audit and Finance Committee shall elect a chair and vice-chair at its first meeting of the fiscal year. The City Council member may not serve in either position. The term of office shall be one year. No member shall be eligible for more than two consecutive terms as Chair or Vice Chair. In case of vacancy of Chair or Vice Chair occurring in any office, the committee may fill the same by an election at its earliest opportunity.

Section 3. It shall be the duty of the Chair to preside at all meetings of the committee; to enforce observance of the rules of procedure; to sign necessary Finance Committee correspondence and business; to decide all questions of order; offer for consideration all motions regularly made; apportion duties of the members of the committee; call special meetings; appoint all necessary committees; appoint advisory committees with the consent of the Finance Committee; and perform such other duties as the Chair's office may require. The Chair shall make no motion or amendment.

Section 4. In the absence of the Chair, the Vice Chair shall perform the duties of the Chair.

Section 5. In the absence of the Chair and the Vice Chair, the committee shall elect a Chair Pro Tem for the particular meeting in question.

Section 6. The committee may elect a Secretary. The secretary shall be responsible for recording and disbursing meeting summaries, keeping the records of the committee, arranging for meetings, preparing agendas, and performing such other services for the committee as are customary in that role. If no Secretary is appointed, the Finance Director shall assume secretarial responsibilities.

Section 7. Members shall be appointed for two year terms, renewable upon majority vote of the commission present at a meeting.

Section 8. The Finance Committee shall review applications for membership to the committee and make recommendations concerning the filling of vacancies on the committee to the Mayor. Any vacancy shall be appointed by the City Council for the unexpired term of the predecessor.

Section 9. Each member of the committee shall be entitled to vote at all regular and special meetings of the committee except that a member shall not vote or take part in discussion as a member when there is a conflict of interest; i.e., when the action to be taken can confer a significant economic benefit or impose a significant economic loss on the individual member. For example, a member of the committee shall not participate in any commission proceeding or action in which any of the following has a direct or substantial financial interest: to member or his or her spouse, brother, sister, child, parent, father-in-law, mother-in-law, and business in which he or she is then serving or

has served within the previous two years, or any business with which he or she is negotiating for or has an arrangement or understanding concerning prospective partnership or employment. Any actual or potential interest shall be disclosed at each meeting of the committee where the action is being taken (ORS 227.035).

Section 10. If a member wishes to abstain in a situation where there is no direct pecuniary conflict of interest, but where the public might construe that such a conflict exists, or if a member has a conflict deriving from a relationship with the person involved or an extreme bias, the member may request the committee to allow that member to abstain. If the committee says "NO," the member must vote. This provision is intended to relate to close relatives and to professional relationships, as well as to friendships.

Section 11. Any time a member present at a meeting does not record his vote, it is automatically recorded as a vote with the majority; and abstention must be entered as such in the meeting summaries, with the reason recorded.

Section 12. Committee members shall receive no compensation, but shall be reimbursed for duly authorized expenses (ORS 227.030).

Section 13. Any member who misses more than three consecutive regular meetings without having been given a leave of absence by the committee shall be notified by registered mail of possible removal from the committee for further consecutive unexcused absences. Upon the fourth consecutive unexcused absence the committee shall recommend the removal of the absent member to the City Council. The City Council shall appoint another member to complete the unexcused term of any removed member.

ARTICLE IV: Meetings

SECTION 1. Regular meetings of the committee shall be held quarterly at a consistent location. Special meetings can be called by the Chair or Vice Chair with 24 hours notice.

SECTION 2. A majority of the members of the committee, excluding vacant positions, shall constitute a quorum. Except as otherwise provided by law, all actions of the committee shall require the vote of the majority of those members present not abstaining.

Section 3. An abstention is not considered a position for the purposes of determining a majority vote.

Section 4. If a member of the committee is unable to attend a meeting, said member is expected to notify the chair and/or the secretary to the committee.

Section 5. All committee members shall be sent advance notice of regular meeting or special meetings where action is to be taken. Notification for study sessions may be made at regular meetings at least 24 hours in advance of the meeting time. The place and/or hour of any meeting may be changed by affirmative vote of the committee, and the hour of meeting may be changed by the Chair; if adequate notice can be given to the public and all interested parties (ORS 192.640).

Section 6. All meetings shall adjourn by 9:00 p.m. unless the committee, by majority vote, decides to extend business beyond that time or continue the discussion to a later date.

Section 7. Except as otherwise provided by the chair, Robert's Rules of Order shall apply to the procedures of all committee meetings. However, the committee has an obligation to be as clear and simple in its procedures as possible, and therefore should avoid the finer points of parliamentary rules which may only obscure the issues.

Section 8. A Finance/Audit Committee member who attends a meeting of the City Council as a representative of the committee should follow the following guidelines:

- a. The representative should answer questions about committee's actions if these are addressed to him or her by the council.
- b. The representative should state the committee's majority report and should not present his/her own point of view, nor that of the minority, unless specifically asked.

ARTICLE V: SPECIAL RECORDS

Section 1. Policy Statements: All policy statements of the committee shall be recorded and shall be made available to the public.

Section 2. All summary reports of the committee shall be located in City Hall and shall be available to the public during normal business hours.

ARTICLE VI. SUBCOMMITTEES

Section 1. The Chair shall appoint subcommittees as needed.

Section 2. The Chair may appoint a chairperson for each subcommittee or may serve in this capacity.

Section 3. The Chair is an ex officio member of all subcommittees.

ARTICLE VII:

These bylaws may be amended by an affirmative vote of a majority of members present at any regular meeting, providing notice of such amendment is given at a preceding regular meeting.