

Change 1:

Sec. 12½-1. Establishment of the office of city auditor.

- (a) There is hereby established the office of the city auditor, which shall be directed by the city auditor who shall be appointed by affirmative vote of a majority of the entire membership of the city council.
- (b) The city auditor must:
 - (1) Be a person knowledgeable in performance and financial auditing, public administration, and public financial and fiscal practices;
 - (2) Be licensed as a certified public accountant or certified internal auditor; and
 - (3) Exercise due professional care in carrying out his or her responsibilities, and provide reasonable assurance that due professional care will be employed in conducting audits. The city auditor will establish audit policies and procedures consistent with Government Auditing Standards, established by the Comptroller General of the United States, as well as applicable laws and regulations and the International Professional Practices Framework, established by the Institute of Internal Auditors.
- (c) The city auditor's compensation shall be fixed by the city council.

Change 2:

Sec. 12½-2. Independence, objectivity, and audit standards.

- (a) The organization and administration of the auditor's office shall be sufficiently independent to assure that no interference or influence shall adversely affect an independent and objective judgment of the auditor.
- (b) The office shall be provided a discrete budget sufficient to carry out the responsibilities and functions established in this chapter and to ensure appropriate professional development, continuing professional education, and compliance with applicable certification requirements.
- (c) The city auditor shall establish an organizational structure appropriate to carrying out the responsibilities and functions of this chapter.
- (d) No person shall be appointed to the position of city auditor who has been mayor, council member, or city manager of the city during a period of five (5) years prior to the date of the city auditor's appointment. In no case shall the city auditor be related, by affinity or consanguinity within the second degree, to the mayor, any council member or the city manager.
- (e) The city auditor shall not be actively involved in partisan political activities of the City of Corpus Christi.
- (f) Neither the city auditor nor any member of the office staff shall conduct or supervise an audit of an activity for which they were responsible or within which they were employed during the preceding two (2) years.
- (g) The city auditor shall adhere to government auditing standards and the International Professional Practices Framework, insofar as possible, when conducting the city auditor's work and will be independent as defined by those standards.
- (h) The responsibility for selection of audit areas shall initiate with the city auditor, with due consideration of the interests and concerns of the city council and city manager. To accomplish this:
 - (1) No less than thirty (30) days prior to the beginning of each calendar year the city auditor shall submit an annual audit plan to the city council through the council audit committee for review and comment.

Change 3:

Sec. 12½-5. Preparation and release of reports.

- (a) Each audit shall result in a report which shall:
 - (1) Be transmitted in draft to the city manager, who will provide a written response to the city auditor regarding the audit findings and recommendations within an agreed time frame. The response will indicate agreement or disagreement and reasons for any disagreements, and what actions, if any will be taken. The city auditor will include the responses in the final report, unless they are not received within the established time frame;
 - (2) Be submitted in final form to the city council and the city manager, and shall be retained in the city auditor's office in accordance with the city's records management program;
 - (3) Adhere to reporting standards for financial and performance audits as described in Governmental Audit Standards **and the International Professional Practices Framework.**

Change 4:

Sec. 12½-7. Peer review.

- (a) *Authority statement.* The city auditor's office shall, within three (3) years of date of the adoption of Ordinance No. 029287, be subject to peer review and thereafter not less than once every three (3) years by a professional, non-partisan, objective person or group, comprised of auditors and other professionals with appropriate government auditing expertise and experience.
- (b) *Scope of peer review.* The peer review shall determine compliance with Government Auditing Standards **and the International Professional Practices Framework** and the quality of audit effort and reporting, including:
 - (1) General standards such as staff qualifications, due professional care, and quality assurance;
 - (2) Fieldwork standards such as planning, supervision, and audit evidence;
 - (3) Reporting standards such as report content, presentation, and timeliness.
- (c) *Reporting.* A copy of the written report of the peer review shall be furnished to each member of the city council after review and approval by the council audit committee.
- (d) *Cost.* The cost of the peer review, including reasonable travel and living expenses, shall be paid from funds budgeted specifically in the city auditor's budget.

(Ord. No. 029171, § 1, 8-23-2011; Ord. No. 029287, § 1, 11-15-2011; Ord. No. 029755, § 1, 2-26-2013)

Change 5:

Sec. 12½-2. Independence, objectivity, and audit standards.

- (a) The organization and administration of the auditor's office shall be sufficiently independent to assure that no interference or influence shall adversely affect an independent and objective judgment of the auditor.
- (b) The office shall be provided a discrete budget sufficient to carry out the responsibilities and functions established in this chapter and to ensure appropriate professional development, continuing professional education, and compliance with applicable certification requirements.
- (c) The city auditor shall establish an organizational structure appropriate to carrying out the responsibilities and functions of this chapter.
- (d) No person shall be appointed to the position of city auditor who has been mayor, council member, or city manager of the city during a period of five (5) years prior to the date of the city auditor's appointment. In no case shall the city auditor be related, by affinity or consanguinity within the second degree, to the mayor, any council member or the city manager.
- (e) The city auditor shall not be actively involved in partisan political activities of the City of Corpus Christi.
- (f) Neither the city auditor nor any member of the office staff shall conduct or supervise an audit of an activity for which they were responsible or within which they were employed during the preceding two (2) years.
- (g) The city auditor shall adhere to government auditing standards, insofar as possible, when conducting the city auditor's work and will be independent as defined by those standards.
- (h) The responsibility for selection of audit areas shall initiate with the city auditor, with due consideration of the interests and concerns of the city council and city manager. To accomplish this:
 - (1) No less than thirty (30) days prior to the beginning of each calendar year the city auditor shall submit an annual audit plan to the city council through the council audit committee for review and comment. The plan shall identify each audit to be conducted in terms of the department, organization, service, program, function, or policy to be audited and audit objectives to be addressed. The council audit committee shall forward the plan to the city council for city council review and final approval.
 - (2) The annual audit plan may be amended during the year, following notification of the council audit committee and due provision for comment. Such amendments may be initiated by the city auditor, or requested by the council audit committee, or the city manager, or city manager's designee; any amendments to the annual plan must be reviewed by and approved by the audit committee, with written notice of such changes to the full city council in a timely manner.
 - (3) Results of special audits shall be distributed in the same manner as all other audit reports, as provided in section 12-½-5, preparation and release of reports, of this chapter.
 - (4) If the city auditor determines that there is serious concern regarding fraud, abuse, or illegality, or that the scope of an audit in progress should be expanded as the result of any findings, the city auditor is authorized to initiate spontaneously and conduct, or expand the scope of, an audit beyond that approved in the work program. The city auditor shall notify the council audit committee of the change.
 - ~~(5) Notwithstanding the calendar identified above in subsection (h)(1), the initial audit plan for remainder of the fiscal year ending July 31, 2012 shall be prepared by the city auditor and submitted to audit committee, for review and comments by audit committee, on or before November 30, 2011. The initial audit plan shall then be submitted to city council for its review and final approval.~~
- (i) Within the budget approval process and personnel policies established by the city council for all departments, the city auditor shall have the power to appoint, employ, and remove such assistants, employees, and personnel as he/she may deem necessary for the efficient and effective administration of the affairs of the office of the city auditor. All employees of the city auditor's office shall be exempt from classified service.
- (j) Neither the city manager, nor assistant city managers, nor the council nor any of its members shall in any manner dictate the appointment or removal of any such officer or employee whom the city auditor is empowered to appoint, subject to any duly authorized grievance procedure.
- (k) As provided in the City Charter, Article II, Section 29(a), the city auditor may be removed only by a majority of the city council.