

Ordinance amending Chapter 12½ of the City Code of Ordinances pertaining to the office of the City Auditor, audit standards, peer review, and necessary edits; and establishing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI, TEXAS:

Section 1. Chapter 12½ of the City Code of Ordinances pertaining to the auditing standards to be followed is amended to read as follows:

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) * * *

(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~~, the International Professional Practices Framework (IPPF), established by the Institute of Internal Auditors, as well as applicable laws and regulations.

(c) * * *

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) * * *

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(g) The city auditor shall adhere to government auditing standards and the IPPF, 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) * * *

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~~(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) * * *

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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 IPPF.

(b) * * *

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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 IPPF, 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; and
- (3) Reporting standards such as report content, presentation, and timeliness.

(c) * * *

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Section 2. The amendments to the City Code are effective for new and in-progress audits beginning with calendar year 2025.

Introduced and voted on the _____ day of _____, 2025.

PASSED and APPROVED on the _____ day of _____, 2025.

ATTEST:

Paulette Guajardo, Mayor

Rebecca Huerta, City Secretary