



AGENDA MEMORANDUM

First Reading (passed) for the City Council Meeting of April 18, 2023
Second Reading (tabled) for the City Council Meeting of May 9, 2023
Second Reading for the City Council Meeting of October 17, 2023

DATE: October 10, 2023

TO: Peter Zaroni, City Manager

THROUGH: George Holland, City Auditor
GeorgeH3@cctexas.com
(361) 826-3661

Audit Committee

Clarify access to records, audit follow-up timeline, and modify the composition of the ad hoc nominating committee for the City Auditor candidates

CAPTION:

Ordinance amending Chapter 12½ of the Corpus Christi Code to clarify access to records, clarify audit follow-up timeline, and modify the composition of ad hoc committee nominating committee for City Auditor vacancy review.

SUMMARY:

At the April 11, 2023 Audit Committee Meeting, the Audit Committee unanimously voted to propose to City Council revisions to City Code Chapter 12½. The revisions included adding experience requirements pertaining to Audit Committee membership composition and qualifications. Additionally, clarification regarding Auditor access and follow-up reporting timelines promoted by the International Professional Practices Framework (IPPF) standards of the Institute of Internal Auditors were also presented and discussed.

The first reading was held on April 18, 2023, and was passed by City Council. During the second reading on May 9, 2023, this item was tabled by City Council. Honorable Mayor Guajardo and City Council members provided additional questions and clarification regarding adding experienced requirements pertaining to Audit Committee membership composition and qualifications.

This item was revised and was presented at the September 12, 2023 Audit Committee meeting where the Audit Committee unanimously voted to recommend to City Council the new revisions that were recommended by Mayor Guajardo and the City Council Members. The recommendations were to remove adding experience requirements pertaining to Audit Committee membership composition and qualifications.

BACKGROUND:

Today, a strong control environment has become increasingly important, to address all sorts of government-related issues and risks. Regulators and key stakeholders don't just want swift corrective action; they want strong preventive action.

Preventative action includes strong Audit Committee membership composition and expertise critical to ensuring that our local government is accountable, transparent, and cost-effective. In objectively evaluating these issues and risks, City Auditor access to records and follow-up reporting timelines are important to obtaining complete, accurate, relevant, and timely feedback on the City's programs.

During our annual review of the City Code Chapter 12½ we noted that further updates were needed to address these issues and risks.

ALTERNATIVES:

City Council may reject all or part of the proposed revisions to City Code Chapter 12½ City Auditor presented.

FISCAL IMPACT: N/A

Funding Detail: N/A

Fund:

Organization/Activity:

Department:

Project # **(CIP Only)**:

Account:

RECOMMENDATION:

The Audit Committee recommends City Council to accept the proposed revisions.

LIST OF SUPPORTING DOCUMENTS:

City Code Chapter 12 ½ Redlined Ordinance