

ORDINANCE NO. 851114-L

AN ORDINANCE CREATING AN AUDIT AND FINANCE COMMITTEE OF THE AUSTIN CITY COUNCIL; PROVIDING FOR MEMBERSHIP THEREUPON AND ESTABLISHING THE DUTIES THEREOF; SUSPENDING THE RULE REQUIRING ORDINANCES BE READ ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council oversees the financial activities of the City and establishes the policies of the City in relation to such activities; and

WHEREAS, such oversight duties include the establishment of fiscal and debt management objectives and investment policies; the issuance of debt; the provision of proper compensation, retirement and employee benefits systems; and approval of the Financial Plan and the Capital Improvements Program; and

WHEREAS, the City Council must be the good steward of the public resources and act in accordance with generally accepted governmental and business practices; and

WHEREAS, Art. VII, Sec. 2 of the Charter of the City of Austin requires that the Director of Finance submit to the Council, through the City Manager, a regular statement of all receipts and disbursements in sufficient detail to show the financial condition of the City; and

WHEREAS, this requirement can be satisfied by the submission of reports generated by the City's computerized accounting system, but because a meaningful analysis of the City's financial condition, necessary to make informed judgments about the financial policies of the City, requires study and discussion of quarterly and annual financial statements and related information; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. That there be, and there is hereby created an Audit and Finance Committee of the City Council, composed of four (4) members of the Council as designated by the Council.

The Audit and Finance Committee shall meet as often as it deems necessary, but not less than quarterly, and shall review the City's quarterly, unaudited financial statements and the annual, audited finance statements; the annual compliance audit of Federal grant funds expended by the City; the independent auditor's "management letter" on internal control; the annual program evaluation workplan proposed by the City Manager, and the Manager's reports and recommendations relating thereto; and shall make such comments and recommendations to the City Council on these matters as it

deems necessary, noting any failure to comply with existing Council policies, and any need for policy guidance from the Council.

The Committee shall review and make recommendations to the City Council with respect to the following matters as they relate to the City or any entity, the affairs of which are directed by the City Council:

1. the engagement or re-engagement of one or more independent accounting firms to audit the financial statements for the then-current fiscal year or to provide other audit-related services;

2. the policies, procedures, and principles designed or adopted by the City to provide reasonable, cost-effective assurances that:

(a) the books, records, accounts and internal controls of the City are in compliance with generally accepted accounting principles and sound business practices;

(b) obligations, costs, and program activities are in compliance with applicable laws, regulations, and policies;

(c) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation;

(d) revenues and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports which reflect the true nature of the transaction and operations involved, and to maintain accountability over the assets of the City or entity; and

(e) programs, activities and functions are conducted economically, efficiently, and effectively;

3. the adequacy and implementation of the internal audit function;

4. policies regarding the financial affairs of the City, including budgeting, investing of funds, debt management, compensation, pensions and benefits (and the funding thereof).

In addition, the Committee shall discharge its duties as specified in Ordinance No. 84-1004-P, (the Program Analysis and Evaluation Ordinance).

The Committee, being composed of a quorum of the City Council, shall in all respects comply with the provisions of TEX.REV.CIV.STAT.ANN. art. 6252-17, the Texas Open Meetings Act.

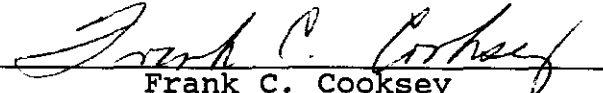
Copies of the Committee's minutes shall be distributed by the City Clerk to all members of the City Council, to the City Manager and to the designated representative of the City's independent public accountant.

The City Manager shall be responsible for the preparation of the Committee's agenda. Any member of the Committee or the City Council may place an item on the agenda; the Chair of the Committee shall be authorized to call a special meeting of the Committee in response to the written request of any of said persons.

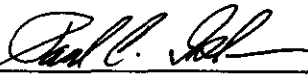
PART 2. The rule requiring that ordinances shall be read on three days is hereby suspended, and this ordinance shall become effective ten (10) days following the date of its passage.

PASSED AND APPROVED


November 14, 1985


Frank C. Cooksey
Mayor

APPROVED:


Paul C. Isham
City Attorney

ATTEST:


James E. Aldridge
City Clerk

JD:lh