

RESOLUTION NO. 2021-33

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING THE NAME, PROCEDURES, RULES AND REGULATIONS FOR THE AUDIT COMMITTEE AND RESCINDING RESOLUTION NO. 2019-31

WHEREAS, California Government Code section 8546.10 authorizes the State Auditor to establish a high-risk local government agency audit program to identify, audit, and issue reports on local government agencies that are at high risk for the potential of waste, fraud, abuse, or mismanagement, or that have major challenges associated with their economy, efficiency, or effectiveness; and

WHEREAS, based upon risk indicators of general fund reserves, debt burden, liquidity, revenue trends, pension obligations, pension funding, pension costs, future pension costs, OPEB obligations, and OPEB funding, the California State Auditor was granted approval from the Joint Legislative Audit Committee to conduct a high-risk audit of the City of West Covina; and

WHEREAS, in response to the State Auditor's December 1, 2020 report entitled "City of West Covina: Its Deteriorating Financial Situation Threatens Its Fiscal Stability and Its Ability to Provide City Services," the City Council unanimously approved a formal Financial Recovery Plan with specific timelines, monitoring, and reporting; and

WHEREAS, to improve the City's long-term financial health, the City recognizes the need to monitor implementation of the Financial Recovery Plan; and

WHEREAS, the City Council established an Audit Committee through the adoption of Resolution No. 2015-73 in October 2015, changed the membership of the Audit Committee through the adoption of Resolution No. 2016-40 in May 2016; rescinded and replaced Resolution No. 2016-40 with Resolution No. 2018-60 in May 2018; and rescinded and replaced Resolution No. 2018-60 with Resolution No. 2019-31 in May 2019, renaming the Audit Committee as the Finance & Audit Committee; and

WHEREAS, the City Council now desires to assign responsibility to the Audit Committee for monitoring progress in implementing the Financial Recovery Plan with State-required written updates every six months, including specific timelines and reporting; and

WHEREAS, the City Council further desires to rename the Finance & Audit Committee as the Audit Committee and to clarify the duties of the Audit Committee.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. AUDIT COMMITTEE RULES AND REGULATIONS

1. ESTABLISHMENT OF THE AUDIT COMMITTEE

The City Council of the City of West Covina hereby renames the previously established Finance & Audit Committee as the Audit Committee.

2. PURPOSE

The Audit Committee's primary purpose is to support improving the community and to assist the City Council in discharging its responsibilities for (1) ensuring financial stability and (2) monitoring the implementation of the corrective actions identified in the Financial Recovery Plan, approved by the City Council on April 6, 2021.

3. MEMBERSHIP AND APPOINTMENT

The Audit Committee shall consist of five public members who will be appointed by the City Council. The City Treasurer and two City Council members shall serve as ex officio non-voting members. The City Clerk shall post and advertise the public positions and vacancies as provided for all other City commissions and committees.

4. COMPENSATION

Members of the Committee shall serve without compensation.

5. TERM OF MEMBERSHIP

The appointed members of the Committee shall be appointed for two (2) year terms on a staggered basis, except for the initial appointment as provided herein. For the initial appointments, one Council Member and one member of the public shall initially be appointed to serve a one-year term in order to allow for the staggered terms thereafter.

6. TIME AND PLACE OF MEETINGS

The Committee will meet at least quarterly. All meetings of the Committee shall be held at the City of West Covina City Hall located at 1444 W. Garvey Ave. S. in the City of West Covina.

7. CONFLICT OF INTEREST

All members of the Committee are subject to the requirements of the Conflict of Interest codes of the City of West Covina and Conflict of Interest laws of the State of California.

8. HUMAN RESOURCES POLICIES

All members of the Committee are subject to the requirements of all Human Resource Department policies of the City of West Covina.

9. DUTIES OF THE COMMITTEE

The role of the Committee is to help improve the City's long-term financial health by (1) monitoring implementation of the Financial Recovery Plan, (2) monitoring the monthly financial reports for the purpose of reporting potential deficits, (3) reviewing the Comprehensive Annual Financial Reports, and (4) making periodic reports to the City Council.

SECTION 2. This Resolution shall rescind and replace Resolution No. 2019-31, adopted by the City Council on May 7, 2019.


SECTION 3. The City Clerk shall certify to the adoption of this Resolution and shall enter it into the book of original resolutions.

APPROVED AND ADOPTED this 4th day of May, 2021.



Letty Lopez-Viado
Mayor

APPROVED AS TO FORM



Thomas P. Duarte
City Attorney

ATTEST



Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2021-33 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 4th day of May, 2021, by the following vote of the City Council:

AYES:	Castellanos, Diaz, Lopez-Viado, Tabatabai, Wu
NOES:	None
ABSENT:	None
ABSTAIN:	None



Lisa Sherrick
Assistant City Clerk