

RESOLUTION NO. 2016-40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA AMENDING THE PROCEDURES, RULES AND REGULATIONS FOR THE AUDIT COMMITTEE.

WHEREAS, the City Council of the City of West Covina recognizes the importance of transparency and accountability in the administration of public resources, and the City Council is ultimately responsible for ensuring that the City of West Covina is meeting its internal control and financial reporting responsibilities; and

WHEREAS, the City Council recognizes the importance of creating an Audit Committee as it is considered a financial management best practice; and

WHEREAS, the formation of an Audit Committee will ensure regular and direct communication between the City's independent auditors and the City Council and will further the City Council's goals of transparency and accountability in the administration of public resources; and

WHEREAS, the City Council established an Audit Committee with Resolution No. 2015-73; and

WHEREAS, the City Council now desires to remove the City Manager and Finance Director from the Audit Committee.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Covina 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 establishes the City of West Covina Audit Committee.

2. PURPOSE

The Audit Committee's primary purpose is to assist the City Council in discharging its responsibilities for the overall stewardship of the City's financial affairs. This will include reviewing financial information; ascertaining the existence and adequacy of accounting and internal control systems and related safeguards over the City's assets; and overseeing the audit function.

3. MEMBERSHIP AND APPOINTMENT

The Audit Committee shall consist of five members: the City Treasurer, two City Council members, and two members of the public. The two City Council members and the two members of the public will be appointed by the City Council. 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 once annually and shall hold other meetings on an as needed basis. All meetings of the Committee shall be held at the City of West Covina City Hall located at 1444 W. Garvey Ave. 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.

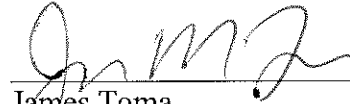
8. DUTIES OF THE COMMITTEE

The role of the Committee is to augment management's accountability to the City Council. The Committee achieves this goal by:

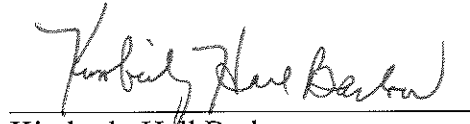
- Recommending the selection of the independent financial auditor for the financial statement audit;
- Monitoring the progress of the financial statement audit;
- Evaluating the results of the financial statement audit;
- Ensuring that any control weaknesses and legal compliance violations identified in the course of the financial statement audit are promptly and effectively remedied;
- Serving as a direct communications link between the City Council and the independent auditor; and
- Monitoring the adequacy of the City's internal control structure on an ongoing basis, such as cash disbursements, cash receipting, treasury transactions, etc., as examined by the internal audit function and the independent financial auditor.

SECTION 2. That the City Clerk shall certify to the passage and adoption of the resolution.

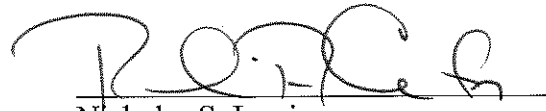
APPROVED AND ADOPTED on this 17th day of May, 2016.


James Toma
Mayor

APPROVED AS TO FORM:

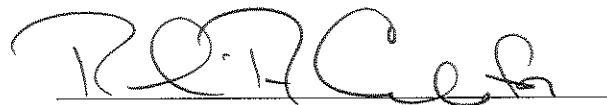

Kimberly Hall Barlow
City Attorney

ATTEST:


Nickolas S. Lewis
City Clerk

I, HEREBY CERTIFY that the foregoing resolution was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof on the 17th day of May, 2016, by the following vote of City Council:

AYES: Johnson, Spence, Warshaw, Wu, Toma
NOES: None
ABSENT: None
ABSTAIN: None


Nickolas S. Lewis
City Clerk