

ORDINANCE NO. 02-24

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ORANGE ADDING CHAPTER
2.50 TO TITLE 2 OF THE ORANGE
MUNICIPAL CODE (ADMINISTRATION AND
PERSONNEL) ESTABLISHING THE AUDIT
ADVISORY COMMITTEE**

WHEREAS, in April 2022, the City Council adopted Resolution No. 11387, merging the previously separated Audit Committee and Investment Advisory Committee thereby creating the Investment and Audit Committee; and

WHEREAS, although the Investment and Audit Committee has provided a great service to the City of Orange, both audit and investment functions are distinct from one another; and

WHEREAS, in recognizing that both functions require specific skill sets, experience, education, and expertise, the City of Orange stands to benefit by separating both functions thereby creating separate committees comprised of experts within their respective fields; and

WHEREAS, it is the desire of the City Council to create an Audit Advisory Committee to assist in the overall stewardship of the City's financial affairs, including reviewing financial information and ascertaining the adequacy of accounting and internal control systems.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ORANGE DOES
HEREBY ORDAIN AS FOLLOWS:**

SECTION I:

The Ordinance is not a "project" subject to provisions of the California Environmental Quality Act (CEQA) per State CEQA Guidelines Section 15378 because it involves an organizational and administrative activity of the City of Orange that will not result in direct or indirect physical changes in the environment.

SECTION II:

The recitals and findings contained in herein are true and correct and incorporated herein

SECTION III:

Chapter 2.50 (Administration and Personnel – Audit Advisory Committee) is hereby added to the Orange Municipal Code to read as follows:

Chapter 2.50 Audit Advisory Committee

- 2.50.010 – Established
- 2.50.020 - Powers and Duties
- 2.50.030 – Appointments and Terms
- 2.50.040 – Election of Officers
- 2.50.050 – Regular Meetings
- 2.50.060 – Quorum-Voting
- 2.50.070 – Absence of Voting Members
- 2.50.080 – Action by Voting Members – Authority Required
- 2.50.090 – Communication from the Committee

2.50.010 – Established.

There is established in the City an Audit Advisory Committee consisting of seven voting members to act in an advisory capacity to the City Council regarding the City's accounting and internal control systems and provide advice to the City Council regarding safeguards over City assets, including but not limited to:

- A. Reporting to the City Council annually on Committee proceedings.
- B. Conduct planning and exit meetings as it relates to the annual financial audit.

2.50.020 – Powers and Duties.

The Committee shall have the following duties:

- A. Conduct a planning meeting with the City's auditors to address any questions or concerns as the audit and internal controls test is prepared.
- B. At the conclusion of the audit, conduct an exit meeting to evaluate results of the financial statement audit.
- C. Report to the City Council on the results of the planning and exit meetings as well as the final audit results.
- D. In an advisory role, propose to the City Manager review of programs or accounts as deemed necessary for achieving maximum efficiency and propriety.

2.50.030 – Appointments and Terms.

The Mayor, with approval of the City Council, will appoint each voting member of the Audit Advisory Committee. The term of office shall be for two years and thereafter until a successor for the voting member whose term is expiring has been appointed.

2.50.040 – Election of Officers.

The Committee shall elect at its first meeting of the calendar year, from its voting members, a Chairperson and Vice Chairperson. The terms of office for these offices shall be for one year.

2.50.050 – Regular Meetings.

The Committee shall meet in regular session on dates and at times to be determined from time to time by resolution of the City Council. All meetings shall be open to the public, and the Brown Act shall apply.

2.50.060 - Quorum-Voting.

A majority of at least four voting members shall constitute a quorum. A majority vote of the voting members present (at least 4 voting members, vacancies shall not count toward establishing a quorum) shall be required to carry a motion.

2.50.070 - Absence of Voting Members.

Absence from three consecutive meetings without formal notice to the Committee will be deemed to constitute the resignation of such voting member, and the position declared vacant. In the event of a vacancy, either by because of absence or otherwise, may be filled by the Mayor subject to ratification by the City Council.

2.50.080 - Action by Voting Members-Authority Required.

No voting member shall take any action or make any statement committing the Committee unless given express authority to do so by a majority vote of the Committee's entire seven voting members.

2.50.090 - Communications from the Committee.

All recommendations and updates of the Committee to the City Council for its consideration or action shall be transmitted in writing.


SECTION IV:

If any section, subdivision, paragraph, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each section, subdivision, paragraph, sentence, clause and phrase thereof, irrespective of the fact that any one (or more) section, subdivision, paragraph, sentence, clause or phrase had been declared invalid or unconstitutional.

SECTION V:

The City Clerk is hereby directed to certify the adoption of this Ordinance and cause the same to be published as required by law. This Ordinance shall take effect thirty (30) days from and after the date of its final passage.


ADOPTED this 12th day of March, 2024.


Daniel R. Slater, Mayor, City of Orange

ATTEST:


Pamela Coleman, City Clerk, City of Orange

APPROVED AS TO FORM:


Mike Vigliotta, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF ORANGE)


I, PAMELA COLEMAN, City Clerk of the City of Orange, California, do hereby certify that the foregoing Ordinance was introduced at the regular meeting of the City Council held on the 27th day of February, 2024, and thereafter at the regular meeting of said City Council duly held on the 12th day of March, 2024 was duly passed and adopted by the following vote, to wit:

AYES: COUNCILMEMBERS: Slater, Barrios, Dumitru, Tavoularis, Bilodeau, Gutierrez, Gyllenhammer

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

ABSTAIN: COUNCILMEMBERS: None


Pamela Coleman, City Clerk, City of Orange