

SUBSTITUTE NO. 1 TO ORDINANCE NO. 16-062

**AN ORDINANCE TO AMEND CHAPTER 2 OF THE CITY CODE REGARDING
THE AUDIT REVIEW COMMITTEE.**

**Rev. 1
#4293**

Sponsor:

**Council
Member
Freel**

Co-Sponsor:

**Council
Member
Cabrera**

WHEREAS, the City of Wilmington's Audit Review Committee is charged with fulfilling important functions regarding City operations and processes, notably through monitoring and reviewing audits and other accountability mechanisms; and

WHEREAS, according to the Association of Local Government Auditors, such a body must be as independent as possible in order to ensure its maximum effectiveness and benefit; and

WHEREAS, the Institute of Internal Auditors offers similar guidance, recommending that the chairperson of such a body be independent; and

WHEREAS, the City Council seeks to revise the structure of the City's Audit Review Committee by including members of the public and removing certain city employees and officials; and by codifying procedures for appointment and vacancies on the committee, which will enhance the transparency and independence of this important body.

THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. Chapter 2 of the City Code is hereby amended by amending Section 2-671 by deleting the stricken language as follows:

Sec. 2-671. Auditing department; assistants and employees.

.....

~~(e) There is hereby established an audit review committee ("ARC") to be comprised of seven members. The ARC shall perform the duties and responsibilities as set forth in this chapter. The members shall be as follows: the administrative assistant to the mayor; finance director; budget director; chair, city council finance committee; city council chief of staff or designee; one member of council appointed by the president; and the city treasurer.~~

SECTION 2. Chapter 2 of the City Code is hereby amended by creating Section 2-671.1

and by adding the underlined language as follows:

Sec. 2-671.1. Audit Review Committee

- (a) Establishment. There is hereby established an Audit Review Committee (“ARC”), which shall perform the duties and responsibilities as set forth in this section.

- (b) Membership. The Audit Review Committee shall consist of the following members:
 - i. Chairperson, Member of the public, appointed by the Mayor
 - ii. City Council Finance Committee Chair
 - iii. Chief of Staff – Mayor’s Office
 - iv. Member of the public, appointed by the City Council President
 - v. Member of the public, appointed by the City Council President

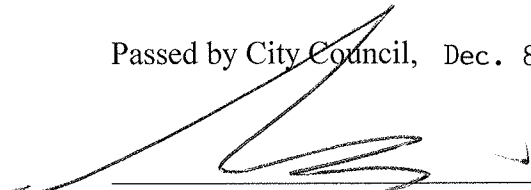
- (c) Qualifications for Members of the Public. Appointees to the three positions reserved for members of the public shall possess the technical skills necessary to oversee the technical and complex financial reporting and audit process – such as individuals who are Certified Public Accountants (CPAs), Certified Internal Auditors (CIAs), Certified Government Financial Managers (CGFMs), Certified Information Systems Auditors (CISAs), or Certified Fraud Examiners (CFEs), or those holding a Master of Business Administration (MBA) degree. Public members shall not be City employees, nor shall they be engaged in a contractual relationship with the City, or be holding or seeking public office. It is preferred that each public member reside in the City of Wilmington, but if no qualified and willing candidate is identified, then each member shall reside within New Castle County.

- (d) Term and Vacancies. The Chairperson of the Committee shall serve a term of five (5) years following appointment by the Mayor. The remaining two members of the public shall serve for terms of three (3) years following appointment by the City Council President. If a vacancy in one of these three positions should occur, the respective appointing body shall appoint a successor to fill out the remainder of the original term as soon as practicable.

SECTION 3. This Substitute Ordinance shall become effective on April 1, 2017.

First Reading..... November 17, 2016
Second Reading.... November 17, 2016
Third Reading.....December 8, 2016

Passed by City Council, Dec. 8, 2016



President of City Council

ATTEST: 

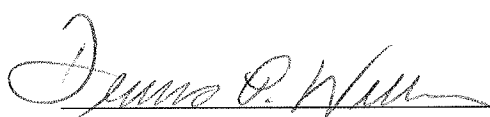
City Clerk

Approved as to form this 6th
day of December, 2016.



Assistant City Solicitor

Approved this 12 day of Dec, 2016



Mayor

SYNOPSIS: This Substitute Ordinance amends Chapter 2 of the Wilmington City Code by updating and formalizing Code provisions related to the Audit Review Committee. This Substitute Ordinance enhances the independence of the body by including members of the public, and reducing the number of City employees and officials in order to follow guidelines set forth by professional auditing associations.