



Legislation Details (With Text)

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Title: Enacting a New Toledo Municipal Code Chapter 194, Toledo City Auditor Powers and Duties; and declaring emergency.
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Council Members Moline, Hobbs, Morris, Sarantou & Cherry

Enacting a New Toledo Municipal Code Chapter 194, Toledo City Auditor Powers and Duties; and declaring emergency.

SUMMARY & BACKGROUND:

This Ordinance enacts a new Toledo Municipal Code Chapter 194, Toledo City Auditor Powers and Duties, to improve, expand upon and support the powers and duties of the Toledo City Auditor as codified in Section 125 and 126 of the Toledo City Charter. The internal audit function is critical to assist in Toledo City Council's responsibility to oversee the fiscal management and internal controls of the City of Toledo as effectively and efficiently as possible. This Ordinance further formalizes the internal audit function in the City of Toledo and helps maintain a comprehensive framework of internal controls, especially in activities that contain a high degree of risk.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That a new Toledo Municipal Code Chapter 194, Toledo City Auditor Powers and Duties, is enacted to read as follows:

CHAPTER 194 Toledo City Auditor Powers and Duties.

- 194.01 Definitions
- 194.02 Overview of Powers and Duties of the Office of the City Auditor
- 194.03 Powers of the City Auditor
- 194.04 Duties of the City Auditor

194.05 Reporting to Toledo City Council

194.06 Evaluation of the City Auditor

194.01 Definitions

“Internal Controls” means the processes designed by management to provide reasonable assurance in the achievement of objectives relating to compliance, operations and reporting, as defined by COSO (Commission of Sponsoring Organizations of the Treadway Commission): Objectives include a) effectiveness and efficiency of operations; b) reliability of financial reporting; and c) compliance with applicable laws and regulations.

“Internal auditing” means the act of objectively appraising the compliance, operations, reporting and internal controls of the City of Toledo.

“Audit” means the services and responsibilities performed by the City Auditor as adopted in Chapter Sections 125 and 126 of the Toledo Charter and codified Sections 194.03, 194.04 and 194.05 of the Toledo Municipal Code. It includes those reports whose scope could be considered an audit as defined by the Financial Accounting Standards Board (FASB) if the Auditor acted independently. It includes review which is a report whose scope of evaluation is lesser than an audit; and it includes compilation which is the generation of balanced report generated by the general ledger of the City of Toledo.

“City Auditor” includes the City Auditor and his/her/their assistants

194.02 Overview of Powers and Duties of the Office of the City Auditor

The purpose of this section of the Toledo Municipal Code is to establish and outline a program of responsibilities for the City Auditor to assist Council by providing reports and audits that provide objective assurance, analysis and recommendations about the effectiveness of Toledo’s systems of internal controls, and ensure independent access to financial information of the City of Toledo. The Toledo City Charter in Sections 125 and 126 prescribes the powers and duties of the City Auditor and vests Council with the authority to appoint the City Auditor and his/her/their assistants. This chapter of the Toledo Municipal Code expands and further outlines those duties and powers of the City Auditor and his/her/their assistants.

194.03 Powers of the City Auditor

The City Auditor shall have access to, and authority to examine any and all documents including but not limited to books, accounts, internal memoranda, writings and tapes, reports, vouchers, correspondence files and other records, bank accounts, money and other property of any City department, office, board, commission or agency, whether created by the Toledo Charter or otherwise.

194.04 Duties of the City Auditor

Duties of the City Auditor shall include, but are not limited to the following:

- a) Prepare an annual audit plan to be reviewed and approved by the President of Council who may assign this evaluation to any existing or created committee specifically tasked with overseeing the City Auditor.
- b) Prepare and submit a monthly report of the city auditor’s activities and findings in the immediately preceding calendar month, together with any recommendations to improve the administration, fiscal management, compliance internal controls of assets, and operations of the City of Toledo.
- c) Perform other auditing functions, consistent with other provisions of the City Charter and Municipal Code, and prepare and submit such other reports, as may be assigned by the Council, including City Council-assigned special audits and investigations.
- d) Conduct, or cause to be conducted, annual post audits of the City's fiscal transactions and

accounts kept by or for the City including the examination and analysis of fiscal procedures and the examination, checking, and verification of accounts and expenditures.

- e) Conduct City Council-assigned performance audits to determine whether (1) City resources are being used in an economical, effective, and efficient manner; (2) established objectives are being met; and (3) desired results are being achieved.
- f) Complete an evaluation of departments and division's internal control structure and policies. Present Council with a report with recommendations and actions to be taken and the necessary timeline to perform such recommendations.
- g) Annually prepare a report for Council that reviews and provides recommendations related to the annual budget prior to the first Monday in January. Timely prepare a report to Council with review and recommendations of any budget amendments prior to its passage.
- h) Perform other such auditing functions consistent with the Toledo City Charter and submit reports as required by the Council.
- i) The City Auditor shall conduct their work in accordance with the professional standards relevant to internal auditing contained in the U.S. General Accounting Office's publication *Government Auditing Standards*.

194.05 Reporting to Toledo City Council

The City Auditor shall provide reports to the public and to Toledo City Council in the following manner:

- a) The City Auditor shall present audit reports in public meetings of the Finance, Debt and Budget Oversight Committee, or of the full Council, or of another appropriate Council committee tasked with overseeing the City Auditor.
- b) Any disagreements from the Mayor about any finding or recommendations of the City Auditor shall be presented in writing to Council. The City Auditor shall attempt to resolve disagreement or explain it in his/her/their audit report.
- c) The Finance, Debt and Budget Oversight Committee or any committee established to oversee the City Auditor, may accept the report and approve the recommendation by majority vote. Any final action is subject to approval by Council as a separate Council agenda item.
- d) All reports of by the City Auditor shall be posted to the City of Toledo website and be accessible to the public and shall be saved to the City of Toledo's internal network drive.

194.06 Evaluation of the City Auditor

The City Auditor shall be evaluated annually by the President of Council, who may delegate this evaluation to any existing or created Council Committee specifically tasked with overseeing the City Auditor. The City Auditor may be evaluated on his/her/their fulfillment of his or her duties in Chapter 125 and 126 of the Toledo Charter, Section 194.04 of the Toledo Municipal Code and any other formalized duties approved by Council.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were passed in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance is declared to be an emergency measure and shall be in force and effect from and after its passage. The reason for the emergency lies in the fact that same is necessary for the immediate preservation of the public peace, health, safety, and property and for the further reason that it is necessary to provide guidelines, oversight and accountability for the position of the City Auditor as part of the effective and efficient delivery of auditing the compliance, operations and reporting of the City of Toledo.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____
Clerk of Council