

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: April 7, 2016

BIS 16-158

File: TMP-2016-162

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, ESTABLISHING AN AUDIT COMMITTEE, PROVIDING THE PURPOSE OF THE COMMITTEE, PROVIDING FOR THE NUMBER OF COMMITTEE MEMBERS, PROVIDING CRITERIA FOR COMMITTEE MEMBERSHIP; ESTABLISHING PROCEDURES, AND PROVIDING FOR LENGTH OF TERM OF THE COMMITTEE.

Statement of Budget Impact:

1. No Budget Impact associated with this action;
2. Sufficient resources are identified /available;
3. Budgetary resources not identified/unavailable;
4. Potential revenue is possible with this action;
5. Will not increase the cost of Housing;
6. May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution seeks to establish an audit committee, provide the purpose of the committee, provide the number of committee members, provide criteria for committee membership, establish procedures, and provide for the length of term of the committee in accordance with the Florida Statutes Chapter 218 requiring local governments to use auditor selection procedures when selecting an auditor to conduct the annual financial audit required by State Statutes.

The City's Financial Services Department desires to engage an auditor to conduct the annual audit for fiscal year 2016 and subsequent fiscal years, and per Florida Statutes Subsection 218.391(2), the governing body of the municipality is required to establish an audit committee whose primary purpose is to assist the City in selecting an auditor to conduct the annual financial audit. The audits are to be performed by a

certified public accounting firm duly licensed under Florida Statutes Chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.

The audit committee shall consist of five (5) members. Four (4) of these members shall be appointed by resolution of the City Commission, and will serve without compensation at the pleasure of the City Commission.

The City Commission shall consider the following guidelines in making these appointments:

- That all members have three (3) to five (5) years of progressive government experience, or large scale accounting / financial practice.
- Each of the four (4) members shall be appointed by a majority vote of the City Commission.
- The Director of Financial Services or his or her designee shall serve as a voting ex-officio member of the audit committee.

The audit committee shall select its own chair from its members, and adopt rules of procedure for the conduct of its meetings.

The audit committee shall publicly announce requests for proposals (RFP) and provide interested firms with said RFP. The City's Financial Services Department will prepare a draft of the RFP for review, input and approval by the audit committee. The final version of the RFP will be released by the City's Budget Administration Division following the City's formal contract procedures.

The audit committee shall evaluate proposals provided by qualified firms, rank them and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services.

A majority of the members shall constitute a quorum.

The audit committee will be in existence for a term of six (6) months from the effective date of this resolution when it will be automatically sunset.

As the members of this committee are not compensated, there will be no financial cost to the taxpayers as the result of formation and operation of this committee.

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