

CREATION OF AN INDEPENDENT AUDIT COMMITTEE

In the year Two Thousand Ten.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, state law requires an annual audit of municipal finances and a report of the auditors' finding; and

WHEREAS, Burlington Charter section 155 vests the responsibility to conduct the City's annual audit in the Board of Finance; and

WHEREAS, pursuant to this responsibility and authority the City of Burlington annually conducts a Federal Single Audit for all departments, enterprise funds and proprietary funds and Burlington Electric conducts an audit of its own annually' and

WHEREAS, the City Council has recognized by unanimous approval with at least two resolutions the importance of our Annual Audit, our auditing procedures and the need for tight internal financial controls; and

WHEREAS, on July 12, 2010, this Council created an Audit Task Force, comprised of five professional auditors who were selected by the Council President in consultation with the Mayor to consider the following: to review the City's existing auditing procedures; to consider separate audits for enterprise funds, the School department or other departments; and to make recommendations, if any, to our current auditing protocol; and

WHEREAS, on October 18, 2010, after a series of five meetings over the six weeks, the Audit Task Force, made up of Ed Gallagher, Kim Pinkham, Marcia Merrill and Paul Birnholz with Doug Wacek as chair of the Task Force presented its formal report to the Council; and

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39 WHEREAS the creation of an Independent Audit Committee was considered the “most
40 important recommendation and one that will help position the City to achieve improved
41 accountability and transparency in its financial operations governance and strengthen the overall
42 audit process” by the Task Force; and

43 WHEREAS, Councilors at the October 18 presentation and discussion were in agreement
44 that such an Independent Audit Committee was important and needed to be formed as
45 expeditiously as possible given the Audit process that is currently underway; and

46 NOW, THEREFORE, BE IT RESOLVED that the City Council, in consultation with the
47 Mayor, will form an Independent Audit Committee to advise and assist the Board of Finance on
48 audit questions generally and to begin work as soon as possible on the FY10 Audit; and

49 BE IT FURTHER RESOLVED that the City Council requests that the Council President,
50 in consultation with the Mayor, appoint two of the Audit Task Force professionals and three
51 councilors to form this Committee subject to approval by the City Council; and

52 BE IT FURTHER RESOLVED that the Committee will propose a “best practices”
53 process for the Audit as outlined in the Task Force report and in the American Institute of
54 Certified Public Accountant’s publications, The AICPA Audit Committee Toolkit: Government
55 Organizations as is practicable and deemed advisable by the newly formed committee, subject to
56 the review and approval of the City Attorney for compliance with state and federal laws,
57 including but not limited to the Vermont Open Meeting and Access to Public Records Law and
58 approval by the City Council prior to implementation.