

CREATION OF AN AUDIT ADVISORY COMMITTEE

In the year Two Thousand Ten.....

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

That 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

WHEREAS, the City Council referred the Task Force Report to the Charter Change Committee for consideration and to make recommendations back to the Council; and

WHEREAS, the Charter Change Committee discussed the Task Force Report at its meeting on November 10, 2010 and unanimously agreed to recommend the creation of an Audit Advisory Committee;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby creates an Audit Advisory Committee, which shall consist of five (5) members appointed by the City Council who are knowledgeable in accounting principles and auditing standards, internal control systems, financial reporting and have an understanding of audit committee operations. At least three (3) of the members shall be Certified Public Accountants (CPA) with experience as auditors. At least

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38 two (2) of the members shall be Burlington residents. The initial appointments of members of  
39 the Committee shall be one (1) member for a one (1) year term, two (2) members for two (2)  
40 year terms and two (2) members appointed for three (3) year terms, with all appointments  
41 thereafter for three (3) year terms; and

42 BE IT FURTHER RESOLVED that the Audit Advisory Committee shall provide advice  
43 and report directly to the Finance Board and to the City Council upon request; and

44 BE IT FURTHER RESOLVED that the role of the Committee shall be consistent with the  
45 recommendations of the Audit Task Force Report as follows:

- 46 • Audit Scope: Committee shall review and make recommendations regarding the overall  
47 scope of auditing the City’s operations
- 48 • Auditor Engagement Process Revisions: When applicable, the Committee shall provide  
49 advice regarding the process of retaining an auditor
- 50 • Education about the Audit Process and City Finances: Committee shall coordinate with  
51 the Administration to educate the City Council and the public about the City’s operations  
52 and finances
- 53 • Address City Governance Issues: Committee shall review and make recommendations  
54 regarding the City governing framework with respect to the financial operations of the  
55 City and its School Department
- 56 • Address Management Letter Concerns: Committee shall work with the Administration to  
57 establish protocols and expectations regarding management letter comments and other  
58 findings
- 59 • Audit Adjustment Disclosure: Committee may request a list and discuss, if appropriate,  
60 with the Auditor all audit adjustments discovered, passed or recorded, in connection with  
61 the City’s year end audit.