ORDINANCE NO. 2025-1628

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF GOODYEAR, MARICOPA COUNTY, ARIZONA, AMENDING CHAPTER 3 ADMINISTRATION OF GOODYEAR CITY CODE TO ESTABLISH A NEW SECTION, 3-1-10 CITY AUDITOR, AND NEW ARTICLE 3-18 AUDIT COMMITTEE, AUTHORIZATION OF FULL TIME POSITION AND BUDGET AMENDMENT, THE PROVIDING FOR CORRECTIONS, SEVERABILITY; AND AN EFFECTIVE DATE.

WHEREAS, Services provided by a City Auditor will improve operations, identify opportunities to minimize risks, maximize efficiency and effectiveness, and strengthen public confidence and accountability; and

WHEREAS, an Audit Committee will advise City Council in respect to fulfilling its oversight responsibilities regarding the integrity of the city's financial statements, compliance with legal and regulatory requirements, effectiveness of the systems of internal controls, management of citywide risk environment, and the performance of internal and external auditors; and

WHEREAS, together the City Auditor and Audit Committee will enhance the transparency of operations through standardized review and reporting; and

WHEREAS, the Mayor and Council of the City of Goodyear, Arizona has identified the need for a City Auditor and Audit Committee;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GOODYEAR, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

SECTION 1. AMEND ARTICLE 3-1 OFFICERS IN GENERAL OF GOODYEAR CITY CODE

Article 3-1, Officers in General, of Goodyear City Code, is hereby amended to establish a new Section 3-1-10, entitled City Auditor, to read as follows:

3-1-10 City Auditor

(A) A City Auditor shall be appointed by the City Manager to provide independent and objective assurances on city programs and activities. Services provided are designed to add value, improve organizational operations, identify opportunities to minimize organizational risks, maximize efficiency and effectiveness, and strengthen public confidence and accountability.

(B) Scope of the office of the City Auditor. The scope of the office of the City Auditor will be adequately comprehensive to assist city management and the Audit Committee with determining whether the city's network of risk management, control, and governance processes is adequate and functioning in a manner to ensure:

(1) Risks are appropriately identified and managed;

(2) Significant financial, managerial, and operating information is accurate, reliable, and timely;

(3) Employees' actions comply with policies, standards, procedures, and applicable laws and regulations;

(4) Resources are acquired economically, used efficiently, and adequately protected;

(5) Programs, plans, and objectives are achieved;

(6) Quality and continuous improvement are fostered in the city's control process;

(7) Activities are conducted to acceptable professional standards.

(C) Standard audit of practice. The City Auditor will meet the government auditing standards (yellow book) published by the Comptroller General of the United States as demonstrated by undergoing a periodic external quality peer review assessment, not exceeding an interval of three (3) years. Individual projects or reports may meet other professional standards with prior approval of the Audit Committee.

(D) Independence of Internal Audit Program. The City Auditor will be appointed by and report to the City Manager. The independence of the internal audit program will be established through the periodic reporting to the Audit Committee required under the responsibilities of the City Auditor. The City Auditor will not conduct work where there is, or the appearance of, a conflict of interest.

(E) Responsibility of City Auditor. The City Auditor will periodically:

(1) Develop a flexible, risk-based internal annual audit plan including any risks or control concerns identified by city management. The plan will be submitted to the Audit Committee for review and approval, as well as periodic updates;

(2) Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by city management and the Audit Committee;

(3) Evaluate the adequacy of actions taken by city management to correct reported deficiencies;

(4) Present final internal audit reports with management responses and action plans to the Audit Committee and applicable parties;

(5) Maintain and present to the Audit Committee a summary and status of open audit recommendations;

(6) Present an annual audit activity report summarizing the prior fiscal year accomplishments of the city audit program;

(7) Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.

(F) Access. The City Auditor will have access, consistent with law, to all city records, property, information systems, and personnel necessary to accomplish the objectives related to approved annual audit plans.

(G) Interference with City Auditor prohibited. A department, office, or program subject to an audit shall cooperate with the City Auditor or their designee and is prohibited from interfering with the audit process, from initiation to completion, including the finding, conclusions, and recommendations of the audit and any associated reports.

SECTION 2. AMEND CHAPTER 3 ADMINISTRATION OF GOODYEAR CITY CODE

Chapter 3, Administration, of Goodyear City Code, is hereby amended to establish a new Article 3-18, entitled Audit Committee, to read as follows:

Article 3-18

AUDIT COMMITTEE

Sections:

3-18-1 Creation.

There is hereby created an Audit Committee to carry out the functions and duties provided in this article and to serve in an advisory capacity to the City Council.

3-18-2 Purpose and duties.

(A) The primary purpose of the Audit Committee is to advise City Council in respect to fulfilling its oversight responsibilities regarding the integrity of the city's annual comprehensive financial statements, compliance with legal and regulatory requirements, effectiveness of the systems of internal controls, management of citywide risk environment, and the performance of internal and external auditors. Consistent with this function, the Audit Committee will endeavor to encourage continuous improvement of, and adherence to, city policies and procedures, and practices at all levels.

(B) The Audit Committee shall:

(1) Review the City Auditor's audit plan annually and provide suggestions for the plan;

(2) Ensure that the City Auditor transmits audit reports to the Audit Committee and the City Council. Audit reports will also be made available to the public;

(3) Monitor follow-up on reported findings to assure corrective action is taken by city management;

(4) Report to the City Council on areas of interest or concerns at such times as deemed appropriate;

(5) Assure that the audit functions are independent and performed to acceptable professional standards;

(6) At least annually meet with the city's external auditor to discuss the city's annual comprehensive financial report and other applicable risk management and city financial concerns.

(C) Bylaws. To ensure independence and efficiency in the performance of its function, the Audit Committee is hereby authorized to adopt bylaws that will, at a minimum, include and address voting rights, meetings, and member terms. The bylaws may include any rules or policies that enable the Audit Committee to perform and carry out any of the duties.

3-18-3 Audit Committee membership and term.

(A) The Audit Committee shall consist of the following:

(1) Three Councilmembers

(B) Each member shall serve a two-year term and may be reappointed.

3-18-4 Meetings and quorum.

The Audit Committee shall meet as necessary to provide information to the City Council. A majority of the voting members of the Audit Committee shall constitute a quorum.

3-18-5 Conflict of interest.

Before participating in Audit Committee discussions or casting a vote on a matter in which an Audit Committee member may reasonably be considered to have a conflict of interest, the member shall disclose the potential conflict of interest to the Audit Committee members. Failure of a member to disclose a potential conflict of interest as required by this article constitutes malfeasance in office and is grounds for removal from the Audit Committee.

3-18-6 By-laws.

The Audit Committee shall establish written by-laws and rules for the conduct of its meetings.

3-18-7 Officers and subcommittees.

The Audit Committee shall elect a Chairperson and a Vice Chairperson from its members and may create and fill other offices as it considers advisable and necessary or as provided in the by-laws. The ex-officio members of the Audit Committee are not eligible to serve as Chairperson or Vice Chairperson. The term of each office shall be provided in the by-laws.

SECTION 3. AUTHORIZATION OF FULL TIME POSITION AND BUDGET AMENDMENT

City Council authorizes the addition of a full-time position for the purposes of a City Auditor. The City Manager is authorized to complete appropriate amendments to the budget to achieve the purpose and duties of the City Auditor and Audit Committee.

SECTION 4. CORRECTIONS

The City Clerk and the codifiers of this Ordinance are authorized to make necessary clerical corrections to this Ordinance, including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

SECTION 5. SEVERABILITY

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 6. EFFECTIVE DATE

This Ordinance shall become effective at the time and in the manner prescribed by law.

PASSED AND ADOPTED by the Mayor and Council of the City of Goodyear, Maricopa County, Arizona, by a 7-0 vote, this 24th day of February, 2025.

Joe Pizzillo, Mayor

Date: 02/24/2025

ATTEST:

Jasmine Pernicano, Acting City Clerk

APPROVED AS TO FORM:

Roric Massey, City Attorney

CITY OF GOODYEAR, ARIZONA INCORPORATED 1946