

RESOLUTION NO. \_\_\_\_\_

**WHEREAS**, under Section 2.02(h) of the City Charter City Council has the authority to “provide for the control and management of the fiscal affairs of the city . . . as may be necessary to give full and true accounts of the affairs, resources and revenues of the city and the handling, use and disposal thereof;”

**WHEREAS**, the Government Finance Officers Association recommends that local governments establish audit committees or the equivalent to provide review and oversight of internal controls, financial reporting, and independent auditors; and

**WHEREAS**, City Council has now determined that it is necessary and desirable to create an audit subcommittee of City Council;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Alexandria Virginia:

1. That it creates a subcommittee of City Council comprised of two members of City Council.
2. The functions, powers and duties of the subcommittee include the following:
  - a. The subcommittee shall be responsible for the appointment, compensation, retention and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit or performing other independent audit, review or attest services;
  - b. The subcommittee shall have all accountants engaged as set forth above report directly to it;
  - c. The subcommittee shall provide independent review and oversight of the City’s financial reporting processes, internal controls and independent auditors;
  - d. The subcommittee shall establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters;
  - e. The subcommittee shall monitor controls performed directly by senior management and controls designed to protect or detect senior management override of other controls;
  - f. The subcommittee shall present to City Council an annual written report of how it has discharged its duties and met its responsibilities; and

- g. The subcommittee shall carry out other such tasks as may be requested by the City Council.
3. Staffing for the subcommittee may be provided by the City's Finance Department using existing staff.
4. The subcommittee may, at its discretion, hire legal, financial and other subject matter experts as required to perform its duties.
5. The annual report completed by the subcommittee shall provide to City Council its work and findings. This report will be made publicly available on the City's website. The report shall, at a minimum, include that the subcommittee "has discussed the financial statements with management and to the extent permitted by law, with the independent auditors in private and privately among subcommittee members and believes that they are fairly presented, to the extent that such a determination can be made on the basis of such discussions."
6. That this resolution shall be effective on the date and at the time of its Adoption.

ADOPTED: \_\_\_\_\_, 2013

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WILLIAM D. EUILLE, MAYOR

ATTEST:

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Jacqueline M. Henderson, CMC, City Clerk