

**AN ORDINANCE AMENDING CHAPTER  
TWO OF THE BEAVERTON CITY CODE  
RELATING TO THE AUDIT COMMITTEE  
AND THE BUDGET COMMITTEE**

**Whereas**, in June 1981, the City Council adopted Resolution 2306 establishing an Audit Committee to ensure that audits are completed annually in accordance with Oregon state law, provide oversight of the auditors, assist in the review and selection of audit firms and ensure transparent communication back to the Council and residents of Beaverton; and

**Whereas**, in 1982, the City Council enacted BC 2.03.170 through 2.03.178 relating to the Audit Committee, essentially codifying the substantive provisions of Resolution 2306; and

**Whereas**, upon the enactment of BC 2.03.170 through 2.03.178 relating to the Audit Committee, the City Council did not repeal Resolution 2306; and

**Whereas**, in December 2008, the Council amended Resolution 2306 by adopting Resolution 3967, thereby revising the membership criteria for the Audit Committee; and

**Whereas**, when the City Council amended Resolution 2306 by adopting Resolution 3967, the Council did not amend the City Code provisions relating to the membership criteria for the Audit Committee; and

**Whereas**, the concurrent existence of Resolution 2306 (as amended) and BC 2.03.170 through BC 2.03.178 creates a trap for the unwary in determining the applicable membership criteria for the Audit Committee; and

**Whereas**, BC 2.03.150, relating to the Budget Committee, contains a misreference to the Oregon law that establishes the composition and duties of a local budget committee; now therefore,

**THE CITY OF BEAVERTON ORDAINS AS FOLLOWS:**

**Section 1.** Chapter Two of the Beaverton City Code is amended by striking sections BC 2.03.170 through BC 2.03.179, relating to the City's Audit Committee, and inserting the following:

**2.03.170 Audit Committee Established.**

There is established the Audit Committee of the City of Beaverton, a subcommittee of the City's Budget Committee.

**2.03.172 Membership.**

A. The Audit Committee shall be composed of three members, one of whom shall be a member of the Council and two of whom shall be current or previous citizen members of the Budget Committee. If a previous citizen member of the Budget Committee is appointed to serve on the Audit Committee, the citizen member must remain an elector of the City during the appointed term.

B. The chair of the Budget Committee shall appoint the Audit Committee's two citizen members.

C. The City Council, by majority vote if not by unanimous consent, shall nominate one of its members to serve on the Audit Committee. The nomination shall occur at a regular or special meeting of the City Council at which a quorum of the Council is present. The chair of the Budget Committee shall promptly appoint the nominated Council member to the Audit Committee.

**2.03.174 Term of Office; Vacancy.**

A. The term of office for Audit Committee members is three years. There is no limit on the number of terms a member of the Audit Committee may serve. The members' terms shall be staggered such that only one member's three-year term concludes each year.

B. If a citizen member's position on the Audit Committee becomes vacant, the Chair of the Budget Committee shall appoint a replacement to serve the remainder of the vacated term.

C. If a Council member's position on the Audit Committee becomes vacant, the City Council, by majority vote if not by unanimous consent, shall nominate one of its members to serve on the Audit Committee. The nomination shall occur at a regular or special meeting of the City Council at which a quorum of the Council is present. The chair of the Budget Committee shall promptly appoint the nominated Council member to the Audit Committee.

**2.03.176 Meetings.**

The Audit Committee shall meet at least once per year with the auditor to independently review the audit report and to review the plan, scope and approach of the next audit cycle. Additional meetings may be held as needed, including for the purpose of making additional inquiries of the auditor and the auditor's performance.

**2.03.178 Powers and Duties.**

The powers and duties of the Audit Committee include:

A. To review with the auditor the financial statements relied upon by the auditor following submission of the annual audit report to the Council. The purpose of this review is to receive comments concerning the adequacy and content of the financial statements and to facilitate an analysis of the annual audit report which has been submitted to the Council;

B. To make an appraisal of the effectiveness of the overall audit effort. Such an appraisal may include a discussion of the overall approach to and scope of the audit examination with emphasis on specific areas of concern the committee or the auditor deems important;

C. To review financial or audit reports prepared by the auditor and the mayor or the mayor's designee for financial matters;

D. To make recommendations to the Council concerning the appointment of the auditor for the ensuing year and the fee for services. Although the Council appoints the auditor, the Committee may allow input from the finance director of the City as to recommendations for the appointment of the auditor;

E. To request to the Council that it instigate a special inquiry or investigation if the committee is made aware of financial transactions that may be fraudulent or otherwise improper.

**Section 2.** Chapter Two of the Beaverton City Code is amended by striking section BC 2.03.150, relating to the City's Budget Committee, and inserting the following:

**2.03.150 Budget Committee Established.**

There is established the Budget Committee, the composition and duties as established by the State of Oregon's Local Budget Law.

First reading this 19~~th~~ day of November, 2013.

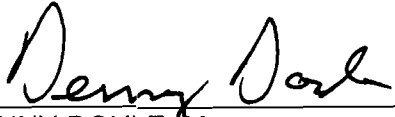
Second reading and passage by the Council this 10 day of December, 2013.

Approved by the Mayor this 11 day of December, 2013.

ATTEST:

APPROVED:

  
CATHERINE JANSEN, City Recorder

  
DENNY DOYLE, Mayor