

CITY OF ESPANOLA
ORDINANCE NO. 2024-01

AN ORDINANCE AMENDING CHAPTER 7, SECTION 7-1 OF THE CODE OF ORDINANCES
AND CREATING A NEW CHAPTER 91 ENTITLED "AUDIT COMMITTEE," CREATING A
STANDING AUDIT COMMITTEE TO ASSIST THE GOVERNING BODY IN AUDIT
RECOMMENDATIONS AND PROVIDING FOR THE MEMBERSHIP, DUTIES AND
RESPONSIBILITIES OF THE AUDIT COMMITTEE

BE IT ORDAINED by the Governing Body of the City of Espanola that Chapter 7, Section 7-1 of the City Code of Ordinances be amended and that Chapter 91, "Audit Committee," be added to the Code as follows:

Section One.

Chapter 7, Section 7-1, of the Code of Ordinances is amended to add a new subparagraph (G) as follows:

§ 7-1. Designation; appointment and duties.

The following boards, commissions and committees shall be appointed in the manner as provided by ordinance, and carry out such duties as are provided in this chapter or set forth in this Code, as amended:

- A. Fiesta Advisory Council;
- B. Fiesta Committee;
- C. Library Board;
- D. Lodger's Tax Advisory Board;
- E. Grievance Review Board;
- F. Planning and Zoning Commission; and
- G. Audit Committee.

Section Two.

A new chapter 91 is hereby created and shall read as follows:

Chapter 91
Audit Committee

§ 91-1. Creation and Purpose.

- A. There is created the Audit Committee.
- B. The purpose of the Audit Committee shall be to advise and assist the Governing Body and the city administration in financial oversight as described herein regarding the committee's duties and responsibilities.

§ 91-2. Duties and Responsibilities.

The Audit Committee shall, to the extent allowed by law:

- A. Provide reviews of external audits of the city's finances and financial systems as may be conducted from time to time, and such internal audits as may be approved by the Office of the State Auditor; advise the Governing Body and the City Manager regarding such audits, and recommend the adoption of policies and procedures with respect thereto as will promote the transparency, accountability, efficiency and effectiveness of city government for the residents of Espanola.
- B. Review the findings of external audits and such internal audits as may be approved by the Office of the State Auditor, advise the Governing Body and the City Manager as to such findings and such corrective actions as may be necessary, and follow up on the city's compliance with the corrective actions.
- C. Review the effectiveness of the internal control systems, including information technology security and control, bookkeeping, accounting procedures, accounts receivable and payable, procurement policies and administration, and such other internal controls as are relevant to financial operations and management;
- D. Establish a process by which employees, taxpayers or other citizens may confidentially report suspected illegal, improper, wasteful, or fraudulent activity under provisions of the state auditor's fraud program;
- E. Provide regular reports, not less than quarterly, and an annual comprehensive report to the Governing Body detailing how the committee discharged its duties and containing any recommendations to the Governing Body.
- F. Review and advise on such other matters as may be deemed within the scope of the committee's duties and responsibilities or as otherwise requested by the Governing Body.

§ 91-3. Membership, chairperson, terms, vacancies.

- A. **Membership.** The Audit Committee shall consist of three (3) persons appointed by the mayor and approved by the Governing Body. The members of the Committee shall include

one member of the Governing Body, who shall serve as chair, and two (2) individuals who are qualified by training, experience and ability to exercise sound and practical judgment regarding the duties and responsibilities of the Committee. At least one (1) member shall have experience in public finance matters. Residency within Rio Arriba County or Santa Fe County is desirable but is not required. No member shall be an employee or spouse of an employee of the city or the spouse of an elected or appointed official of the city. Members shall serve without compensation.

- B. **Terms.** Each member's term shall be for a period of two (2) years, provided that for the initial appointments, two (2) of the members shall be appointed for a two (2) year term and the third member shall be appointed for a one (1) year term for the purpose of staggering the terms. Members may be reappointed for additional terms. The members shall serve at the pleasure of the Governing Body and may be removed by a majority vote of the Governing Body.
- C. **Vacancies.** Vacancies on the Committee shall be filled in the same manner as initial appointments and shall be for the remainder of the term of the vacant position.

§ 91-4. Meetings and staff.

- A. **Meetings.** The committee shall meet quarterly pursuant to a schedule to be adopted by the committee and may hold special meetings as deemed necessary or desirable or as requested by the mayor or the city manager. All meetings shall be in compliance with the city's Open Meetings Resolution. A quorum of the Committee shall be at least two members. Agendas shall be developed by the staff and approved by the chair.
- B. **Staff.** The City Manager shall designate appropriate staff to serve as the primary liaison to the Committee and shall provide for the taking and recording of meeting minutes. The committee may request the assistance of additional city staff as needed.

Section Three.

Effective Date. This ordinance shall be effective five (5) days following publication after adoption.

PASSED, APPROVED AND ADOPTED by the Governing Body of the City of Espanola
this 28 day of MAY, 2024


John Ramon Vigil, Mayor

Attest:



City Clerk

