



Ballot Title 20-287

CAPTION: Amends Charter: Establishes Council-appointed performance auditor, audit review board

QUESTION: Shall Charter be amended to require City Council to appoint a performance auditor to audit city activities?

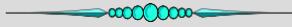
SUMMARY: This Charter amendment establishes a new office of a performance auditor. Auditor conducts or supervises performance audits, financial audits, and studies. Auditor must be certified, have five years' relevant experience, and reside in the city. Auditor subject to peer review.

City Council hires and supervises auditor. Council must fund Auditor's Office at no less than \$250,000 per year. Auditor may only be fired for cause by a vote of six or more councilors.

Auditor hires, supervises, and removes Auditor's Office employees. Auditor may hire consultants. Auditor's Office independent of City Manager, but not independent of City Council. Auditor has timely access to all city employees, information, and records required to conduct a performance audit.

Citizen audit review board created to advise City Council and Auditor and oversee work of Auditor. All complete audits and studies posted on city's website and provided to Council and City Manager.

If this measure and Measure 20-283 both receive a majority of "yes" votes, whichever measure receives the most "yes" votes becomes effective and other measure never takes effect.



COUNCIL RESOLUTION NO. 5219

A RESOLUTION CALLING A CITY ELECTION ON MAY 15, 2018, FOR THE PURPOSE OF REFERRING TO THE LEGAL ELECTORS OF THE CITY OF EUGENE A MEASURE PROPOSING A CHARTER AMENDMENT TO CREATE AN INDEPENDENT PERFORMANCE AUDITOR ACCOUNTABLE TO THE CITY COUNCIL.

PASSED: 5:2

REJECTED:

OPPOSED: Clark, Taylor

ABSENT: Semple

CONSIDERED: February 12, 2018



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The City Council of the City of Eugene finds as follows:

A. On October 18, 2017, Measure 20-283 qualified for the May 2018 ballot. Measure 20-283 would create an independent performance auditor who would be elected by the City's voters and would be independent of the City Council.

B. On November 20, 2017, pursuant Section 2.980 of the Eugene Code, 1971, the City Council held a work session to consider whether the Council wanted to support or oppose Measure 20-283, refer an alternative measure, or take no action in response.

C. As noted by the Association of Local Government Auditors ("ALGA"): "Auditing is a cornerstone of good public sector governance." Such governance includes the processes a public entity utilizes to create and achieve goals. Auditing is one way to provide unbiased and objective assessments of how effectively and efficiently that governmental entity is achieving those goals.

D. In order to ensure that an auditor is able to both assess and then report on significant issues, an independent audit review committee can be created. As explained by ALGA, "The audit review committee can greatly strengthen the independence, integrity, and effectiveness of public sector audit activities by providing independent oversight of the internal and external audit work plans and results"

E. On January 24, 2018, the City Council voted to refer to the May 2018 ballot an alternative measure amending the Charter that would create an independent performance auditor who is hired and supervised by the City Council. This alternative proposed Charter amendment is attached as Exhibit A.

F. Pursuant to Section 2.988 of the Eugene Code, 1971, if both this measure and Measure 20-283 receive a majority of "yes" votes, whichever ballot measure receives the most "yes" votes will become effective and the other measure never goes into effect.

NOW, THEREFORE, based upon the above findings,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. A city election is called for the purpose of referring to the legal electors of the City of Eugene the measure attached as Exhibit A proposing a Charter amendment to create an independent performance auditor who is hired and supervised by the City Council.

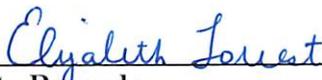
Section 2. The City Council orders this city election to be held in the City of Eugene, Oregon, concurrently with the election on May 15, 2018, in accordance with the provisions of Chapter 254 of the Oregon Revised Statutes, and the ballots shall be counted and tabulated and the results certified as provided by law.

Section 3. If both this measure and Measure 20-283 receive a majority of “yes” votes, then pursuant to Section 2.988 of the Eugene Code, 1971, whichever measure receives more “yes” votes between the two measures shall become effective and the measure receiving fewer “yes” votes between the two never goes into effect.

Section 4. The City Recorder is directed to give not less than ten days’ notice of the city election by publication of one notice in the Register Guard, a newspaper published in the City and of general circulation within the City.

Section 5. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted the 12th day of February, 2018



City Recorder

BALLOT MEASURE: EUGENE CHARTER AMENDMENT

Section 1. Section 15-B is added to Chapter III of the Eugene Charter of 2002 to provide as follows:

15-B. Independent Performance Auditor

(a) It is the policy of the city to maintain a performance and financial audit function to provide the city council, city manager, city staff and the general public with objective, timely and accurate analysis and information. To accomplish this policy, the city council shall appoint an independent performance auditor and citizen performance audit review board as described in this section. The council also shall annually appropriate funding for the office of the independent performance auditor that is sufficient to carry out the functions described in this section, including the hiring of the auditor, support staff and consultants, with a minimum budget of \$250,000 per year.

(b) The city council shall hire, supervise and specify the salary of the independent performance auditor (“auditor”), with salary and benefits equal to or greater than the average salary and benefits for government auditors in Oregon. The auditor shall possess adequate professional proficiency as demonstrated by a relevant certification such as a Certified Public Accountant, Certified Internal Auditor or Certified Government Auditing Professional; have at least five years of recent auditing, evaluation, analysis or comparable experience; and remain certified during the term of office. The auditor must reside within the city throughout the term of office. The auditor may be removed from office only for cause by a vote of six or more city councilors, and after receiving advice from the citizen performance audit review board created by subsection (e) of this section.

(c) The auditor shall conduct or cause to be conducted performance and financial audits, and may conduct studies intended to measure or improve the performance, of city departments and programs following generally accepted government auditing standards. All completed audits and studies shall be provided to the city council and city manager, and posted on the city’s website. Subject to policies and budget appropriations adopted by the city council, the auditor may hire, supervise and remove employees for the auditor’s office, prescribe the duties and compensation for those employees, and retain consultants to assist with an audit. The auditor and other staff in the office of the independent performance auditor are independent of the city manager. The auditor shall have timely access to all city employees, information and records required to conduct a performance audit, including confidential and legally privileged information and records so long as the privilege is not waived and no state or federal law or regulation is violated.

(d) The activities of the independent performance auditor shall be subject to peer review in accordance with Generally Accepted Government Auditing Standards and by a professional, nonpartisan objective group utilizing generally recognized guidelines specific to local government auditing. A copy of the written report of this independent review shall be furnished to the city council and be made available to the public.

(e) The city council shall appoint a citizen performance audit review board (“board”) to advise the council and the auditor on matters relating to performance auditing and to oversee the work of the auditor. The board shall consist of five voting members, none of whom may be city elected officials or staff, with at least one resident from ward 2 or 3, one from ward 4 or 5, one from ward 6 or 8 and one from ward 1 or 7. At least one voting member shall have experience auditing or accounting.

(f) The city council shall specify the responsibilities of the board. At a minimum, the board shall provide advice to the city council on the selection, compensation and dismissal of the auditor; the appropriate amount of budget and staffing for the auditor's office; the auditing principles and guidelines that the auditor must use in conducting performance audits; the auditor's proposed annual audit plan; and the auditor's performance. In addition, the board also shall provide advice directly to the auditor on the fieldwork plans for each audit; review the completed audits for quality assurance purposes; and provide other advice to the auditor when requested by the auditor.

(g) To the extent that any of the provisions of this section conflict with section 16 of this charter, these provisions shall control. If a question arises as to the meaning of any provision of section 15-B, the city council may authorize the auditor to retain outside legal counsel to provide advice on that question.

Section 2. In the event that both this measure and Measure 20-283 receive a majority of "yes" votes, whichever measure receives the most "yes" votes shall become effective and the other measure shall never take effect.