

**CITY OF MOAB**  
**ORDINANCE NO. 2023-09**  
**AN ORDINANCE ENACTING MOAB MUNICIPAL CODE 2.94**  
**TO CREATE AND ESTABLISH AN AUDIT COMMITTEE**

**WHEREAS** Utah Code Ann. § 10-3-702 authorizes the Moab City Council to pass any ordinance to regulate, require, prohibit, govern, control, or supervise any activity, business, conduct or condition authorized by this act or any other provision of law; and

**WHEREAS** Utah Code Ann. § 10-3-707 authorizes the Moab City Council to revise, codify and compile ordinances of the municipality of a general and permanent character and to make such changes, alterations, modifications, additions, and substitutions therein; and

**WHEREAS** Utah Code Ann. § 10-3-708 authorizes the Moab City Council to arrange its ordinances in such order as the governing body may decide; and

**WHEREAS** the City of Moab desires to enhance public accountability for its stewardship of public resources; and

**WHEREAS** the Utah State Auditor's Office, the Government Finance Officers Association, and the Institute of Internal Auditors recommend establishment of an audit committee; and

**WHEREAS** the Moab City Council intends to create and establish an audit committee to provide independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors.

**NOW, THEREFORE, BE IT ORDAINED** by the Moab City Council, Moab, Utah, as follows:

Title 2. Administrative and Personnel Provisions. Chapter 2.94, Moab Audit Committee is hereby enacted:

**2.94.010 Creation and Composition of the Moab Audit Committee.**

- A. There is created the Moab Audit Committee which shall consist of three voting members. One member shall be an elected Council Member of the City of Moab. One member shall be a staff member of the City of Moab. This staff member shall not have any formal relationship, whether as supervisor or direct or indirect report of the Finance Director. One member shall have demonstrated knowledge and experience in audit, finance, risk and controls and shall have no affiliation to the City as an employee or elected official. This member may be compensated at a fair market rate as determined by the City Manager.

- B. The Finance Director shall serve as chair of the Audit Committee. The chair shall conduct the meeting but is not a voting member of the Committee.

**2.94.020. Appointment Process.**

Each committee member shall be appointed by the Mayor and confirmed by action of the City Council.

**2.94.030. Terms of Office.**

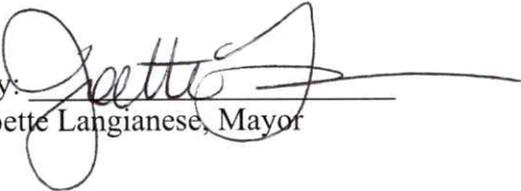
The membership term is three years. For the first committee appointments, one member shall be appointed for a one-year term, one for a two-year term, and one for a three-year term. Each appointment after the initial formation of the committee shall serve for a full three-year term.

**2.94.040. Committee Responsibilities and Meeting Schedule.**

- A. The Audit Committee responsibilities include:
- a. Adopt bylaws.
  - b. Meet at least once annually to receive and review the draft annual audit report and accompanying draft management letter.
  - c. Make a recommendation to the City Council on accepting the annual audit report.
  - d. Review any corrective action plan developed by the external auditor, state auditors' office or City Council, and oversee implementation of such plan.
  - e. Provide oversight and serve as primary point of contact for the external auditors on organizational matters.
  - f. Oversee the selection process and make recommendations for a contract award for the transition of external auditors every 5 years, or when the Council or committee deems appropriate.
  - g. Assist in the oversight of the internal audit function, including reviewing the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested.
  - h. Participate in the performance evaluation process of the internal audit function.
- B. The Audit Committee may conduct additional meetings as necessary with the consent of the majority of the committee members.

C. This Ordinance shall be effective upon passage.

**APPROVED AND ADOPTED** by the Moab City Council, Moab, Utah, this 23<sup>rd</sup> day of May 2023.

By:   
Joette Langianese, Mayor

ATTEST

By:   
Sommar Johnson  
City of Moab/Recorder

