

CHAPTER 2.15

METRO AUDITOR

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2.15.010 Independence

The Office of Auditor is an elected position defined by the Metro Charter with specific duties, including the requirement to make continuous investigations of the operations of Metro. These investigations include financial and performance audits. The Auditor is required to make reports to the Metro Council with recommendations for action.

The Office of Auditor consists of the Metro Auditor and such subordinate employees as the Council may provide. The Auditor has neither a management nor a policy role; rather the Auditor provides independent and objective information about Metro programs and services. The functions of the Auditor include financial as well as performance audits of all departments, offices, commissions, activities and operations of Metro and reports regarding compliance with adopted laws, policies and sound fiscal practices.

The Office of Auditor will adhere to government auditing standards in conducting its work and will be considered independent as defined by those standards. The Auditor will strive to assure maximum coordination between its function and the audit needs of Metro, including the Council and Chief Operating Officer.

(Ordinance No. 95-610A, Sec. 1. Amended by Ordinance No. 02-967, Sec. 1.)

2.15.020 Funding

In each annual budget sufficient funds and personnel shall be provided by the Metro Council to carry out the responsibilities specified herein.

(Ordinance No. 95-610A, Sec. 1.)

2.15.025 Procedure for Submission of Metro Auditor's Budget

The Auditor shall transmit the proposed budget for the Office of the Auditor to the Metro Chief Operating Officer at the same time that Metro departments do so. The Chief Operating Officer shall review the submitted budget and submit the Auditor's proposed budget to the Council with the Chief Operating Officer's general budget submission to the Council, together with any recommendations the Chief Operating Officer may have for changes in the Auditor's proposed budget. The Chief Operating Officer shall include in the submitted budget the necessary cost allocation for providing services to the Auditor. The Auditor's budget shall be subject to review and approval by the Council, which shall make the final determination of cost allocations for any services provided.

(Ordinance No. 07-1164A, Sec. 3.)

2.15.030 Audit Schedule

Each year the Auditor shall submit an annual plan to the Metro Council for review and comment. The plan shall include the departments, commissions, activities, functions and offices scheduled for audit during the year. This plan may be amended during the year as deemed necessary by the Auditor. However, additional resources not authorized in the annual budget may not be utilized without Council approval. Additionally, the Auditor may spontaneously initiate and conduct any other audit deemed necessary to undertake with notification to the Council prior to conducting the audit.

In the selection of audit areas, the determination of audit scope and timing of audit work, the Auditor should consult with federal, state, local jurisdiction auditors, and independent auditors so the desirable audit coverage is provided and audit effort may be properly coordinated.

The Metro Council may request that the Auditor perform special audits that are not included in the annual audit schedule. Such audits will be considered by the Auditor taking into account available resources and audit priorities. The final decision regarding the audit schedule shall remain with the Auditor.

Special audit reports will be handled the same as regular audit reports, except that in personnel matters of a confidential nature, reporting on results may be limited to the Chief Operating Officer and the Council President.

(Ordinance No. 95-610A, Sec. 1. Amended by Ordinance No. 02-967, Sec. 1.)

2.15.040 Scope of Audits

(a) The Auditor shall conduct financial and performance audits to independently determine whether:

- (1) Activities and programs being implemented have been authorized by Metro Charter or Code, state law or applicable federal law regulations;
- (2) Activities and programs are being conducted as prescribed by the Council to accomplish the objectives intended by the Metro Charter or Code, state law or applicable federal law or regulations;
- (3) Activities or programs efficiently and effectively serve the purpose intended by the Metro Charter, Code, state law or applicable federal law or regulations;
- (4) Activities and programs are being conducted and funds expended in compliance with applicable laws;
- (5) Revenues are being properly collected, deposited and accounted for;
- (6) Resources, including funds, property and personnel, are adequately safeguarded, controlled and used in a faithful, effective and efficient manner;
- (7) Financial and other reports are being provided that disclose fairly and fully all information that is required by law, that is necessary to ascertain the nature and scope of programs and activities, and that is necessary to establish a proper basis for evaluating the programs and activities;
- (8) There are adequate operating and administrative procedures and practices, systems or accounting

internal control systems and internal management controls which have been established by management; or

- (9) There are indications of fraud, abuse or illegal acts which need further investigation.

(b) Audits shall be conducted in accordance with government auditing standards applicable to financial and performance audits.

(Ordinance No. 95-610A, Sec. 1. Amended by Ordinance No. 02-967, Sec. 1.)

2.15.050 Access to Records and Property

All officers and employees of Metro shall furnish the Auditor with requested information and records within their custody regarding powers, duties, activities, organization, property, financial transactions and method of business required to conduct an audit or otherwise perform audit duties. In addition, they shall provide access for the Auditor to inspect all property, equipment and facilities within their custody. If such officers or employees fail to produce the aforementioned information, then the Auditor may cause a search to be made and exhibits to be taken from any book, paper or record of any such official or employee, excepting personal information, and every office having the custody of such records shall make a search and forward such requested exhibits to the Auditor.

(Ordinance No. 95-610A, Sec. 1.)

2.15.060 Audit Reports

Each audit conducted by the Auditor shall result in a written report. These final audit reports shall be made available to the public. The final audit report will include the written responses of the audited entity before it is released to the public. The Auditor shall provide the final report to the Council President prior to releasing the report to the public.

(Ordinance No. 95-610A, Sec. 1. Amended by Ordinance No. 02-967, Sec. 1.)

2.15.070 Responses to Audit Reports

The Auditor shall furnish a final draft of each audit report to the audited entity for review and comment before it is released.

The head of the audited entity may respond in writing to the Auditor's recommendations within 10 working days, or at the

Auditor's discretion, a longer time frame may be specified. If a timely response is not received, the Auditor shall so note at the time the report is released. The response must specify agreement with the audit findings and recommendations, or reasons for disagreement, as well as proposed plans for implementing solutions to identified problems and a proposed timetable to complete such activities.

(Ordinance No. 95-610A, Sec. 1.)

2.15.080 External Audits

Subject to the requirements of the Metro Code pertaining to contracts, the Metro Auditor shall appoint external certified public accountants to conduct certified financial statement audits, as specified by state or local law. The Metro Auditor will monitor the process for the annual financial audit with the advice of the Audit Committee provided for in Section 2.19.250. The Metro Auditor shall coordinate and monitor the conduct of and the responses to external financial statement audits. The Metro Auditor shall work toward the elimination of duplicative audit work through cooperation with state, federal and external auditors. The Metro Auditor may also, within budgeted appropriations, contract with other professionals to assist in the performance of the audit function. The Metro Auditor will coordinate and monitor audit related assistance provided by such professionals.

(Ordinance No. 95-610A, Sec. 1. Amended by Ordinance No. 10-1233, Sec. 1.)

2.15.090 Report of Irregularities

If the Auditor detects apparent violations of law or apparent instances of malfeasance or nonfeasance by an officer or employee or information that indicates derelictions may be reasonably anticipated, the Auditor shall report the irregularities to the Council President of the Metro Council and the Chief Operating Officer. If the irregularity is potentially criminal in nature, the Auditor shall notify the district attorney, when appropriate, in addition to those previously cited.

(Ordinance No. 95-610A, Sec. 1. Amended by Ordinance No. 02-967, Sec. 1.)