

CHAPTER 2.88: AUDIT COMMITTEE

2.88.010 Established–Composition.

A. The Audit Committee of the City is established. The Audit Committee shall consist of five members as follows:

1. Two City Council members;
2. A minimum of Two and a maximum of three at large members who are not officials or employees of the City nor cohabit with, as defined by law, nor be related by blood or marriage to, any member of the committee, the City Manager or the staff person or persons assigned to the committee.

(Ord. 1913, (part), 2003; Ord. 1874, § 1 (part), 2001; Ord. 1679, § 1 (part), 1995)

2.88.020 At Large Member–Qualifications.

An Audit Committee at large member is not required to be a Cupertino resident. In selecting an at large member, the City Council shall give priority to individuals who have substantial accounting, audit, or investment experience, preferably in connection with a governmental agency.

(Ord. 1913, (part), 2003; Ord. 1874, § 1 (part), 2001; Ord. 1679, § 1 (part), 1995)

2.88.030 Terms of Office.

- A. Audit Committee members serve at the pleasure of the City Council. The term of office of the members of the Audit Committee shall be for four years commencing on the date of their respective appointments to the Audit Committee and shall end on January 30th of the year the terms are due to expire. No Audit Committee member shall serve more than two consecutive terms unless he or she has been appointed to the committee to fill an unexpired term of less than two years.
- B. The appointment, reappointment and rules governing incumbent members of the Audit Committee are governed by the Resolution of the City Council which governs advisory bodies.

(Ord. 18-2180, § 10 (part), 2018; Ord. 1974, § 1, 2006; Ord. 1679, § 1 (part), 1995)

2.88.040 Members–Vacancy Prior to Expiration of a Term.

If a vacancy occurs other than by expiration of a term, it shall be filled by the City Council's appointment for the unexpired portion of the term.

(Ord. 1679, § 1 (part), 1995)

2.88.050 Chairperson.

The committee shall elect its chairperson and vice chairperson from among its members and shall appoint a secretary. Terms of the chairperson and vice chairperson shall be for one year. Upon approval of the City Council, the City Manager may appoint a secretary who need not be a member of the committee.

(Ord. 2015, § 1, 2008; Ord. 1679, § 1 (part), 1995)

2.88.060 Meetings.

- A. The Audit Committee shall establish a regular time and place of meeting and rules of conduct thereof and shall hold at least one regular meeting quarterly.
- B. A majority of the Audit Committee shall constitute a quorum for the purpose of transacting the business of the committee.

(Ord. 1679, § 1 (part), 1995)

2.88.070 Compensation—Expenses.

Members shall serve on the Audit Committee without compensation, but all necessary expenses reasonably incurred by them while acting in their official capacity shall be paid by appropriate action of the City Council.

(Ord. 1679, § 1 (part), 1995)

2.88.080 Majority Vote Required.

A majority vote of the quorum is required to approve a recommendation on any matter that is presented to the committee which requires a vote.

(Ord. 1679, § 1 (part), 1995)

2.88.090 Records.

The committee shall keep an accurate record of its proceedings and transactions and shall render such reports to the City Council and Planning Commission as may be required. These records shall be filed with the City Clerk.

(Ord. 18-2180, § 10 (part), 2018; Ord. 1679, § 1 (part), 1995)

2.88.100 Duties–Powers–Responsibilities.

The powers and functions of the Audit Committee shall be as follows:

- A. To review the annual audit report and management letter;
- B. To recommend appointment of auditors;
- C. To review the Quarterly Treasurer's investment report;
- D. To recommend a budget format;
- E. To review City investment policies and internal controls of such policies;
- F. To recommend appointment of internal auditors;
- G. To review internal audit reports;
- H. To review quarterly Fraud, Waste, and Abuse Program reports.

(Ord. 23-2247, § 1 (part), 2023; Ord. 22-2243, § 1, 2022; Ord. 20- 2208, § 1, 2020; Ord. 1679, § 1 (part), 1995)

2.88.110 City Staff Assistance.

The Audit Committee shall have available to it such assistance of City staff as may be required to perform its functions, the staff assignments and administrative procedures to be under the general direction and supervision of the Director of Administrative Services.

(Ord. 1679, § 1 (part), 1995)

2.88.120 Procedural Rules.

The Audit Committee may adopt from time to time such rules of procedure as it may deem necessary to properly exercise its powers and duties. Such rules shall be subject to approval by the Council before becoming effective. All such rules shall be kept on file

with the chairperson of the Audit Committee, the Mayor, and the City Clerk and a copy thereof shall be furnished to any person upon request.

(Ord. 1679, § 1 (part), 1995)

2.88.130 Effect.

Nothing in this chapter shall be construed as restricting or curtailing any powers of the City Council or City officers.

(Ord. 1679, § 1 (part), 1995)