

**Resolution No. 32-25**

**A Resolution Amending Resolution 34-22 Concerning the Composition of the Audit Committee Charter and Amending the Audit Committee Charter McDaniel as the 2022-2023 Audit Committee**

Recitals.

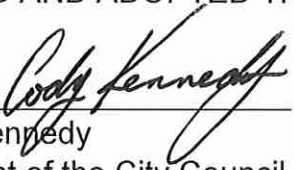
With Resolution 34-22 the City Council adopted a Charter for the Audit Committee (Committee). Among other things that Resolution provided that successor Committee members be named by the City Council each May when annual committee assignments are made.

On May 7, 2025, with the adoption of Resolution 20-25 the City Council appointed Councilmembers Cole and Ballard as the Audit Committee. Those appointments were made with the understanding that the Audit Committee Charter would be amended to allow for any two members to serve rather than having the Committee be comprised of the President of the Council (Mayor) and the President of the Council *pro tem* (Mayor *pro tem*) as had been approved with Resolution 34-22.

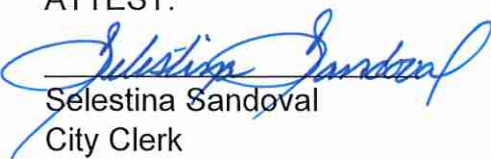
NOW, THEREFORE, BE IT RESOLVED BY THE GRAND JUNCTION CITY COUNCIL:

That in consideration and adoption of the Recitals the Audit Committee Charter in the form attached to this Resolution is adopted and approved. The amended Audit Committee Charter shall remain in effect unless and until amended by subsequent Resolution of the City Council.

PASSED AND ADOPTED THIS 18<sup>th</sup> DAY OF JUNE 2025.

  
Cody Kennedy  
President of the City Council

ATTEST:

  
Selestina Sandoval  
City Clerk



## Audit Committee Charter - Amended June 2025

### Recitals.

The City Council, City management and the City's independent auditor(s) are responsible for the quality and accuracy of the City's financial reporting. The City Council, because of its accountability to taxpayers, is ultimately responsible for the City's financial reporting and internal controls and processes. The audit committee, comprised of two members of the City Council to be named by the City Council annually in May when annual committee assignments are made, ("Audit Committee") provides for general oversight of the City's financial reporting processes, internal controls, and the engagement of and communication with independent auditors.

The Audit Committee provides the means, separate from management and as necessary, for the independent auditor(s) to raise and discuss concerns about financial reporting and internal controls

The Audit Committee is not charged with providing any expert or other special assurance as to the financial statements, including compliance with laws, regulations, Generally Accepted Accounting Principles (GAAP) or Governmental Accounting Standards Board (GASB).

### Purpose.

The Audit Committee will, in consultation with the independent auditor, the City Manager, Finance Director and City Attorney:

- 1) be responsible for oversight of the financial reporting process, recommending to City Council the selection of the independent auditor(s), and receipt and review of preliminary audit results and other written communications between the auditor and management of the City, such as any "management" or "internal control" letter issued, or proposed to be issued, if any, by the auditor to the City; and,
- 2) be responsible for resolution of any disagreement(s) between City management and the independent auditor(s) regarding financial reporting; and,
- 3) establish communication with the auditor(s), and no less than annually, review audit findings at a public City Council meeting; and,
- 4) assure the City establishes a thorough risk management and evaluation process with effective internal controls and recommend to City Council periodic outside audit or examination of internal controls; and,



- 5) discuss with the auditor(s) and management the adequacy of the City's internal controls, and as necessary or required, remedy any significant deficiency(ies) and material weakness(es) in the design or operation of internal controls over financial reporting or fraud, whether or not material, that involves management or other employee(s) who have a significant role in the City's internal controls; and,
- 6) receive confidential, anonymous reports from City employees of concerns about accounting or financial reporting practices, accounting, internal controls and/or conflict of interest and fraud matters; and,
- 7) review the City's disclosure policies and practices, particularly regarding conflict of interest and fraud; and,
- 8) review the City's litigation and regulatory proceedings as reported by the City Attorney; and,
- 9) no less often than every 5 years, select and recommend to the City Council an independent auditor(s) and implement a direct reporting relationship with the auditing firm(s) that serve(s) as the City's independent auditor(s). The independent auditor(s) retained by the City shall report directly to the Audit Committee.

#### Process.

The Audit Committee will hold no less than two regular meetings per year, one at the commencement of the annual audit and one at the completion of the audit prior to the release of the independent auditor's findings and report. At the conclusion of the audit the independent auditor shall issue written findings and a report, which shall be presented at a public City Council meeting and formally accepted by the City Council.

The Audit Committee may meet at other times as may be necessary or required to confer with the auditor(s). Meetings may include the City Manager, Finance Director, City Attorney, Councilmember(s) and/or any other participant the Committee deems appropriate.

The Audit Committee may, as it deems necessary and appropriate, schedule a meeting with the City Council and the auditor(s), so long as the meeting is properly noticed, as determined by the City Attorney, in accordance with the

#### Colorado Open Meetings Law.

The Audit Committee may, as allowed by Colorado law, receive information and participate in informal, unnoticed meetings and briefings with City management and the auditor(s) as necessary and appropriate between formal, noticed meetings of the Audit Committee.

The Audit Committee shall from time to time, and in any event no less often than every 5 years, evaluate the independent auditor's qualifications, performance, and independence.

The Audit Committee shall review with the City Council any matters concerning the quality or integrity of the City's financial statements and/or the performance and independence of the City's auditor(s).

The City Council, with and following a recommendation by the Audit Committee, shall provide for suitable funding for the payment of compensation to the independent auditor(s) engaged for the purpose of preparing and issuing audit findings and reports and/or performing other audit services for the City.

The Audit Committee may establish such written rules or procedures as it determines necessary to conduct the Audit Committee's business.

The Audit Committee shall from time-to-time review and assess the adequacy of this Charter, and as determined necessary, recommend changes to the Charter to the City Council.

## Audit Committee Charter

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The Audit Committee provides the means, separate from management and as necessary, for the independent auditor(s) to raise and discuss concerns about financial reporting and internal controls

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- 2) be responsible for resolution of any disagreement(s) between City management and the independent auditor(s) regarding financial reporting; and,
- 3) establish communication with the auditor(s), and no less than annually, review audit findings at a public City Council meeting; and,
- 4) assure the City establishes a thorough risk management and evaluation process with effective internal controls and recommend to City Council periodic outside audit or examination of internal controls; and,



5) discuss with the auditor(s) and management the adequacy of the City's internal controls, and as necessary or required, remedy any significant deficiency(ies) and material weakness(es) in the design or operation of internal controls over financial reporting or fraud, whether or not material, that involves management or other employee(s) who have a significant role in the City's internal controls; and,

6) receive confidential, anonymous reports from City employees of concerns about accounting or financial reporting practices, accounting, internal controls and/or conflict of interest and fraud matters; and,

7) review the City's disclosure policies and practices, particularly regarding conflict of interest and fraud; and,

8) review the City's litigation and regulatory proceedings as reported by the City Attorney; and,

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