



# City of Santa Clara

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## Agenda Report

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20-592

Agenda Date: 6/23/2020

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### REPORT TO COUNCIL

#### SUBJECT

Adoption of Ordinance No. 2020 Repealing Section 2.105.015 (“Performance of City Auditor Functions”), Adding a New Chapter 2.29 (“Office of the City Auditor”), and Amending Chapter 2.30 (“Independent Auditor”) of the City Code to Change the Title to Independent External Auditor and Create the Independent Office of the City Auditor, and Adopt a Resolution Approving and Adopting a Class Specification for the Position of City Auditor [Council Pillar: Enhance Community Engagement and Transparency]

#### BACKGROUND

At the June 9, 2020 Council meeting, proposed Ordinance 2020 was introduced and passed for the purpose of publication. Pursuant to City Charter Sections 808 and 812, a summary of proposed Ordinance No. 2020 was published by The Weekly on June 17, 2020, and copies were posted in three public places. The Ordinance now comes to Council for final adoption.

#### DISCUSSION

The proposed ordinance would repeal Section 2.105.015 (“Performance of City Auditor Functions”), add a new Chapter 2.29 (“Office of the City Auditor”) to the City Code. The modifications create a more detailed and robust list of the various duties assigned to the City Auditor position by Council under Charter Section 902, and formally creates the office of City Auditor that is independent from the Finance Department and the City Manager’s Office. While the required qualifications for other Council-appointed positions are contained in the Charter, the Charter is silent as to the requirements for the position of City Auditor. Given the numerous professional requirements that are associated with such a position, it is prudent for the Council to create a publicly available class specification, which will aid in recruitment efforts for the position. The modifications allow for the charter-created and Council-appointed position to comport with the independence that is required under applicable professional standards.

The proposed ordinance also amends Chapter 2.30 (“Independent Auditor”) of the Code of the City of Santa Clara to change the title to Independent *External* Auditor (emphasis added) to clarify the distinction between the Office of the City Auditor versus the annual financial external audit that is required under Charter section 1319.

#### ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

#### FISCAL IMPACT

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There is no additional fiscal impact to add the City Auditor classification. The FY 2019/20 and FY 2020/21 Adopted Biennial Operating budget includes two Assistant Director of Finance positions, with one of these positions serving as the lead for the City Auditor's Office. Following approval of the City Auditor classification, one Assistant Director of Finance position will be deleted in order to add one City Auditor position.

### **COORDINATION**

This report was coordinated with the City Attorney's Office and the City Manager's Office.

### **PUBLIC CONTACT**

A summary of proposed Ordinance No. 2020 was published in the Santa Clara Weekly on June 17, 2020, and copies were posted in three public places and made available for public inspection at the City Clerk's Office.

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>>.

### **RECOMMENDATION**

Adopt Ordinance No. 2020 repealing Section 2.105.015 ("Performance of City Auditor Functions") and creating a new Chapter 2.29 ("Office of the City Auditor") and amending Section 2.30 ("Independent Auditor") of the Code of the City of Santa Clara.

Reviewed by: Linh Lam, Assistant Finance Director/City Auditor

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Ordinance No. 2020