

**City of Fayetteville
AUDIT COMMITTEE
Fayetteville, North Carolina**

By-Laws

ARTICLE I

PURPOSE

SECTION 1. The Audit Committee has been established as an advisory committee whose primary purpose is to assist the City Council in fulfilling its oversight responsibilities for the overall stewardship of the City's financial affairs.

The responsibilities of the Audit Committee shall be:

- a) Review and reassess the adequacy of this Charter at least every two years, with any revision submitted to the City Council for approval.
- b) Provide an avenue of communication among the City Council, city management, internal audit, and the independent auditors.
- c) Ensure the City's internal control systems are in place and implemented, including information technology security and control.
- d) Ensure City management implements internal audit report recommendations.
- e) Approve the annual audit plan. The Internal Audit Director will inform the Audit Committee of any major changes to the plan and the reason for the changes.
- f) Review the internal audit charter, activities, staffing, and organizational structure of the internal audit function with the City Manager and the Internal Audit Director and recommend any changes to the City Council.
- g) Submit an Annual Report of Audit Committee actions and recommendations to the City Council.
- h) Recommend to the City Council the selection of the independent auditors.
- i) Continually evaluate the independence of the independent auditors.

- j) Review the City's Annual Comprehensive Financial Report (ACFR), management letter and management's response and forward findings to the City Council.

ARTICLE II

MEMBERSHIP

SECTION 1. The City Council of the City of Fayetteville shall appoint three City Council members and two members of the business community to be voting members of the Audit Committee. The Fayetteville Public Works Commission member, City Manager and Internal Audit Director shall be an ex-officio non-voting member of the Audit Committee.

SECTION 2. Members from the business community shall be appointed for a term of two years with a two term limit for a maximum service of four consecutive years. The member from the Fayetteville Public Works Commission shall be appointed for a two-year term. The terms of the City Council members shall be appointed for a two-year term consistent with their terms of election.

ARTICLE III

OFFICERS

SECTION 1. *Enumeration of Offices* The officers of the Committee shall be a Chairperson and Vice-Chairperson.

SECTION 2. *Election of Officers and Term of Office* The officers shall each be elected at the regularly scheduled meeting held in January, take office immediately upon election, and serve a two-year term.

SECTION 3. Vacant terms of officers may be filled through action taken by the Committee. An officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

SECTION 4. The Chairperson shall preside at all meetings of the Committee and perform such other duties as may be directed by the Committee.

SECTION 5. The Vice Chairperson shall serve as the Chairperson in the absence of the Chairperson.

SECTION 6. The officers shall serve without compensation for their services.

ARTICLE IV

RESIGNATIONS

SECTION 1. In the event that a member chooses to resign from the Audit Committee, such member should notify the Chairperson, in writing. The Chairperson will then immediately notify the members of the Committee of any such resignations. The resignation shall be effective when the notification is received by the Chairperson unless the notification specifies a later time.

ARTICLE V

QUORUM

SECTION 1. Three members, excluding the Fayetteville Public Works Commission member, City Manager and Internal Audit Director, shall constitute a quorum.

ARTICLE VI

MEETINGS

SECTION 1. *Regular Meeting.* A regular meeting of the Committee shall be held quarterly on the fourth Thursday during the months of January, April, August, and October at a time and place to be designated by the Committee. All meetings will be open to the public, to the extent required by North Carolina General Statute 143-318.10.

SECTION 2. *Special Meetings.* Special meetings may be called by the Chairperson, or the Vice Chairperson in the absence of the Chairperson, as deemed necessary or desirable. All Special Meetings will be noticed in accordance with North Carolina General Statute.

SECTION 3. The City Clerk's Office will keep minutes of each meeting and offer them for Committee approval as the first item on the subsequent meeting agenda. The minutes should be distributed to Committee members in draft form within a reasonable time after the meeting and in advance of the subsequent meeting. A copy of the approved minutes will be submitted to the Office of Internal Audit.

SECTION 4. The Chairperson shall approve an agenda in advance of each meeting. The Committee may request any employee of the City or the independent auditors to attend a meeting of the Committee.

ARTICLE VII

AMENDMENTS

SECTION 1. These bylaws are subject to change by the Committee, with subsequent approval by the City Council.

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