

ORDINANCE NO. 15-04-24

ESTABLISHING AN AUDIT COMMITTEE FOR THE CITY OF NOBLESVILLE, INDIANA

WHEREAS, the City of Noblesville, hereafter “the City” wants to position itself for most favorable consideration from potential bond buyers in the national municipal finance credit market;

WHEREAS, potential bond buyers rely substantially on credit ratings generated by national credit rating agencies to assess the risks attributable to the purchase of municipal bonds;

WHEREAS, the national credit rating agencies prefer audited financial statements certified by private independent accountants over those certified by State government audit agencies;

WHEREAS, under Indiana law, all municipalities are subject to an annual audit of their financial statements by the Indiana State Board of Accounts, hereafter “SBoA”, unless they opt out of that requirement by action of their legislative body;

WHEREAS, under IC 5-11-1-24.4, a city may opt out of the SBoA audit requirement and select a private independent accountant to audit their financial statements if certain conditions are met;

WHEREAS, to opt out of the SBoA audit requirement a municipal legislative body must establish an audit committee as prescribed under IC 5-11-1-24.4;

WHEREAS, the Common Council wants the City to have the option to select its own private independent accountant to audit the City’s financial statements.

NOW, THEREFORE, BE IT ORDAINED by the Common Council of Noblesville, Indiana to amend the Code of Ordinances as follows:

Section 1. There is hereby established the Audit Committee to facilitate the selection of a certified public accountant to audit the City’s financial statements. The committee shall be composed of a minimum of (3) three members and up to six (6) members:

- A) Required, voting position. One (1) member of the City’s legislative body appointed by the legislative body.
- B) Required, voting position. One (1) certified public accountant appointed by the City’s legislative body who is not the fiscal officer or an employee of the audited entity.
- C) Required, voting position. One (1) person appointed by the City’s executive who is qualified due to an involvement with financial matters, and who is not the fiscal officer or an employee of the audited entity.
- D) Optional, non-voting position. One (1) person appointed by the City’s executive who is qualified due to current or past service as a member of the City’s Board of Public Works & Safety or otherwise familiar with the finances of the entity’s public utility.
- E) Optional, non-voting position. One (1) person appointed by the City’s executive is qualified due to current or past service as a member of the entity’s Redevelopment Authority.
- F) Optional, non-voting position. One (1) person appointed by the City’s legislative body who is qualified due to current or past service as a member of the entity’s Redevelopment Commission.

Each voting member shall be appointed for a term of (3) years. Each non-voting member shall be appointed for a term of no longer than (3) years.

Section 2. A term for a member of the committee shall begin on January 1 and end on December 31. If member is appointed after January 1, of a given year, the first year of their term will be completed on December 31 of that year. A member appointed under Section 1(A) who ceases to

hold the elected office ceases to be a member of the committee. A member may not have a contractual relationship, financial interest, or political affiliation with the certified public accountant selected.

Section 3. Each member of the committee shall serve without compensation unless otherwise authorized to be compensated in the City's annual salary ordinance.

Section 4. The Audit Committee shall do the following:


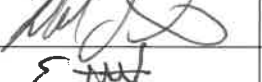
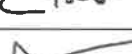






- A) Establish factors to evaluate the audit services provided by a certified public accountant including, but not limited to:
  - i. experience;
  - ii. ability to perform the required services;
  - iii. capability to follow the guidelines and standards adopted by the Indiana State Board of Accounts or its successor; and
  - iv. ability to timely complete all necessary components of the examination.
- B) Publish notice of a request for proposals, under IC 5-3-1, that includes at a minimum:
  - i. a brief description of the audit requirements and time frame;
  - ii. application procedures; and
  - iii. evaluation criteria.
- C) Evaluate the proposals submitted by qualified certified public accountants. If compensation is a factor established under Section 4(A), it may not be the sole factor used to evaluate proposals.
- D) Rank and recommend to the Common Council, in order of preference, not fewer than three (3) certified public accountants considered most highly qualified on the factors established under Section 3(A). If fewer than three (3) certified public accountants respond to the request for proposals, the committee shall recommend the remaining qualified certified public accountants in order of preference.


Section 5. The Controller shall provide the necessary staff support to the Audit Committee. The committee shall advise the Common Council of any and all other official actions necessary to comply with the requirements, under IC 5-11-1-24.4, for an opt-out from Indiana State Board of Accounts audit examinations.

Section 6. The Common Council shall, pursuant to IC 5-11-1-24.4, select a qualified certified public accountant from the list of recommendations by the audit committee and shall negotiate a contract with the certified public accountant in accordance with the law.

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Approved on this 14<sup>th</sup> day of May, 2024 by the Common Council of the City of Noblesville, Indiana:

AYE		NAY	ABSTAIN
	Mark Boice		
	Michael J. Davis		
	Evan Elliott		
	David M. Johnson		
	Darren Peterson		
	Pete Schwartz		
	Aaron Smith		
	Todd Thurston		
	Megan G. Wiles		

ATTEST:   
 Evelyn L. Lees, City Clerk

Presented by me to the Mayor of the City of Noblesville, Indiana, this 15<sup>th</sup> day of May, 2024 at 8:13 A.M.

  
 Evelyn L. Lees, City Clerk

MAYOR'S APPROVAL

  
 Chris Jensen, Mayor

5-16-24  
 Date

MAYOR'S VETO

Chris Jensen, Mayor

ATTEST:   
 Evelyn L. Lees, City Clerk

