



CITY OF NORMAN, OK CITY COUNCIL CONFERENCE MEETING

Municipal Building, Executive Conference Room, 201 West Gray, Norman,
OK 73069

Tuesday, May 28, 2024 at 5:00 PM

AGENDA

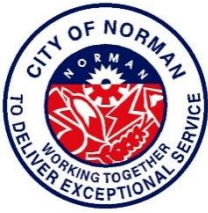
It is the policy of the City of Norman that no person or groups of persons shall on the grounds of race, color, religion, ancestry, national origin, age, place of birth, sex, sexual orientation, gender identity or expression, familial status, marital status, including marriage to a person of the same sex, disability, relation, or genetic information, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination in employment activities or in all programs, services, or activities administered by the City, its recipients, sub-recipients, and contractors. In the event of any comments, complaints, modifications, accommodations, alternative formats, and auxiliary aids and services regarding accessibility or inclusion, please contact the ADA Technician at 405-366-5424, Relay Service: 711. To better serve you, five (5) business days' advance notice is preferred.

CALL TO ORDER

AGENDA ITEMS

1. DISCUSSION OF CITY OF NORMAN BOARDS, COMMISSIONS, AND COMMITTEES
2. DISCUSSION REGARDING ESTABLISHING AN INTERNAL AUDIT CHARTER AND POLICIES.

ADJOURNMENT



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 05/28/2024

REQUESTER: Kathryn Walker, City Attorney

PRESENTER: Jeanne Snider, Assistant City Attorney

ITEM TITLE: DISCUSSION OF CITY OF NORMAN BOARDS, COMMISSIONS, AND COMMITTEES

BACKGROUND:

Over the past several years, City Council has discussed a number of proposals to amend some of the City's Boards, Commissions and Committees. At the October 2023 City Council Oversight Committee, Councilmembers agreed to move forward with the suggested changes.

DISCUSSION:

The following proposals have been discussed a number of times by Council.

1. Board of Adjustment. Increase membership from five to seven members with three year terms and the concurring vote of three members of the Board to four members necessary to reverse any other order, requirement, decision or determination of the administrative official, to decide in favor of the application on any matter upon which it is required to pass under the ordinance, or to effect any variation in the application of the ordinance. Sec. 2-301(a) will be amended to reflect the increase in membership and Sec. 36-570(2) will increase the concurring votes of the Board of Adjustment.
2. Consolidating the Greenbelt Commission and the Planning Commission and make Planning Commission appointments ward specific. After discussion, there was no support or consensus to consolidate the two Commissions, but there was support for making Planning Commission appointments ward specific. Sec. 2-301(g) will be amended to requiring one member from each ward and one at-large member.
3. Norman Election Commission. Increase committee membership from five to seven members. Sec. 10-201 will be amended to increase the membership. Norman Election Commission will be added to 2-301.
4. Consolidating the Tree Board, Bicycle Advisory Committee and the Board of Park Commissioners. There was no support or consensus to consolidate the three committees, but there was support to consolidate the Tree Board and the Board of Park Commissioners. There was support to add qualifiers to the appointment to the Board of Park Commissioners to ensure

at least one member of the Board of Park Commissioners have an interest or expertise regarding urban forestry. Sec. 2-301(c) will be amended to reflect one member shall be appointed based on their interest or expertise regarding urban forestry; Sec. 2-318 will be added reflecting duties related to trees; and Sec. 2-346 will be repealed.

5. Codifying the Animal Welfare Oversight Committee. The Animal Welfare Oversight Committee was originally appointed by Resolution 0203-111. The addition would make Animal Welfare Oversight Committee a permanent committee with term limits and requiring some rural representation. Sec. 2-347 will reflect the duties and powers of the Animal Welfare Oversight Committee. Resolution 0203-111 would be repealed.

RECOMMENDATION:

Staff recommends Council approve the amendments listed above.

2-301 Appointive Boards And Commissions; Appointments; Terms Of Office

The appointed members of the following boards and commissions shall first be nominated by the Mayor and then confirmed by a majority of the Council and the number of appointive members of each respective body and their overall respective terms of office shall be as listed below:

- (a) Board of Adjustment: ~~Five~~ seven persons for three-year terms.
- (b) Norman Regional Hospital Authority: Nine persons for three-year terms.
- (c) Board of Park Commissioners: Nine persons for three-year terms; provided, however, one member shall be appointed based on their interest or expertise regarding urban forestry.
- (d) Environmental Control Advisory Board: Nine persons for three-year terms.
- (e) Human Rights Commission: Nine persons for three-year terms.
- (f) Library Board: Nine persons for three-year terms.
- (g) City Planning Commission: Nine persons for three-year terms; provided, however, there shall be a member from each ward and one at-large member;
- (h) Public Housing Authority: Five persons for three-year terms.
- (i) Social and Voluntary Services Commission: Nine persons for three-year terms.
- (j) Board of Appeals: Five persons and one alternate for ~~four~~ three-year terms.
- (k) Historic District Commission: Nine persons for three-year terms. ~~Such commission shall consist of not less than nine citizens, all of whom shall reside in the City and who shall be nominated by the Mayor, and confirmed by the City Council, each for a term of three years; provided, however, that in the first instance, one-third shall be for three years, one-third for two years, and one-third for one year.~~
- (l) Economic Development Advisory Board: Initially consisting of two members appointed for one-year terms, three members appointed for two-year terms and two members appointed for three-year terms. Thereafter, successor appointments shall serve three-year terms.
- (m) Norman Election Commission: Seven members for three-year terms.

36-570 Board of Adjustment

(d) *Decisions of the Board of Adjustment.*

(1) In exercising the above-mentioned powers, the Board of Adjustment shall reverse or affirm, wholly or in part, shall modify the order, requirement, decision, or determination appealed from, shall make such order, requirement, decision, or determination as ought to be made, so long as such action is in conformity with the terms of this chapter, and to that end shall have the powers of an administrative official from whom the appeal is taken.

(2) The concurring vote of ~~three~~ four members of the Board shall be necessary to reverse any order, requirement, decision, or determination of the administrative official, to decide in favor of the applicant on any matter upon which it is required to pass under this chapter, or to affect any variation in the application of this chapter.

ARTICLE 10-II CAMPAIGN DISCLOSURES OF CONTRIBUTORS, CONTRIBUTIONS AND EXPENDITURES

10-201 Definitions

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Norman Election Commission means a ~~five~~ seven-member committee, appointed by the Mayor and approved by a majority of the City Council to serve three-year staggered terms. The terms of initial appointments shall be adjusted so as to provide that no more than two terms shall expire in any one year; subsequent appointments shall be for three-year terms.

DIVISION 2-III-6 BOARD OF PARK COMMISSIONERS

2-316 Duties And Powers Of The Board

2-317 Expenditures Of City Funds; Compensation; Reimbursement Of Expenses

2-316 Duties and Powers of the Board

(a) Purpose. The Board of Park Commissioners shall advise the City Council on policies pertaining to the use of the park and recreational facilities of the City and the duties related to trees in Sec. 2-318.

- (1) Propose rules and regulations for the maintenance of order, safety, and decency in those parks and recreational facilities;
- (2) Consider and investigate any matter affecting the development and improvement of parks and recreational facilities and policies pertaining to the use of those facilities;
- (3) Make recommendations to improve the park and recreational facilities;
- (4) Make recommendations regarding systems of supervised recreation, and modifications in existing recreational programs;
- (5) Provide copies of the minutes of its meetings to the office of the City Clerk within ten days from the date of their approval; and
- (6) Provide an annual report of the Board's acts and affairs.

2-318 Duties Related to Trees

(a) Purpose. To promote and protect the public health, safety and general welfare by providing for the development of a community forestry plan to address the planting, maintenance, and removal of public trees, street trees, and shrubs within the City in order to promote, maintain and improve the urban forest resource of the City. It is not the intent of this division for the City to assume responsibility for trees planted in the rights-of-way by adjacent property owners other than for removal as needed due to damage, hazard, or disease.

(b) Applicability. This section is applicable to trees and shrubs located within street rights-of-way, drainage easements, public parks and on other public property within the City.

(c) Definitions. The following words and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context otherwise requires:

Private trees mean all trees and shrubs other than public or street trees.

Public property means, and shall include any land owned by the City, any real property including parks, easements, and other lands which are owned by the City or held by it in trust for the benefit of the public.

Public trees and shrubs means all trees and shrubs for which any portion of the trunk is located on public property.

Street rights-of-way means a strip of land acquired by purchase, reservation, dedication, forced dedication, prescription or condemnation and intended to be occupied by a roadway or street.

Street trees means all trees and shrubs for which any portion of the trunk is located on street rights-of-way within the City.

(d) Community forestry plan. It shall be the responsibility of the City Tree Board to study, investigate, counsel and develop and/or update periodically a written plan for the care, preservation, trimming, planting, replanting, removal or disposition of street trees, public trees and shrubs. Such plan shall incorporate an inventory of the existing street trees, public trees and shrubs. The Board of Park Commissioners shall ensure that the plan will be in conformance with the goals and objectives of the current City land use and transportation plan for review and approval. Upon approval and adoption of the recommended plan by the City Council, it shall constitute the official community forestry plan and become a part of the City land use and transportation plan.

(e) Tree planting, maintenance and removal standards. Standards for the planting, maintenance and removal of trees are to be located within the community forestry plan. These standards shall not amend, abridge or modify the prohibition against obstructing motor vehicle operators' line of sight at intersections and entry points along streets.

(f) Tree species. The City Forester, with the approval of the Board of Park Commissioners, shall develop and maintain a list of suitable trees for planting along streets in three size classes: Small, medium and large. A list of trees not suitable for planting shall also be created.

(g) Exemptions. Property owned and used by the schools or any branch of the County, State or federal governments shall be exempt from the provisions of these regulations.

(h) Permit required.

(1) Prior to any tree or shrub being planted in any street right-of-way or public property, as defined above, within the Downtown Revitalization Area or in the Project Area of the Campus Corner Revitalization Project Plan Area and Increment District, a permit must be obtained from the City Forester. The purpose of this permit is to ensure that any trees or shrubs planted within this designated area are consistent with the overall community forestry plan. The Forester shall determine the criteria for granting a permit based upon, but not limited to, the species of tree or shrub, the time of year of planting and a proposed watering plan. In the event a tree or shrub is planted without the proper permit, a ten-day notice shall be given to the property owner to either remove the tree or shrub or obtain a permit. In the event that no permit is obtained or the tree or shrub is not removed, then the City Forester shall remove the tree or shrub.

(2) The project areas are described as:

(a) The Downtown Revitalization Area; and

(b) The Campus Corner Revitalization Project Plan Area and Increment District pursuant to each district's map on file in the office of the City Clerk.

(m) Report. In locations where a public hazard is created by a street tree, public tree or shrub the appropriate City department shall cause the abatement of the hazard and subsequently submit a report to the Board of Park Commissioners.

~~2-346 Duties and Power of the Tree Board~~

~~(a) *Purpose.* It is the purpose of this division to promote and protect the public health, safety and general welfare by providing for the development of a community forestry plan to address the planting, maintenance, and removal of public trees, street trees, and shrubs within the City in order to promote, maintain and improve the urban forest resource of the City. It is not the intent of this division for the City to assume responsibility for trees planted in the rights-of-way by adjacent property owners other than for removal as needed due to damage, hazard, or disease.~~

~~(b) *Applicability.* This division is applicable to trees and shrubs located within street rights-of-way, drainage easements, public parks and on other public property within the City.~~

~~(c) *Definitions.* The following words and phrases, when used in this division, shall have the meanings ascribed to them in this subsection, except where the context otherwise requires:~~

~~*Private trees* mean all trees and shrubs other than public or street trees.~~

~~*Public property* means, and shall include any land owned by the City, any real property including parks, easements, and other lands which are owned by the City or held by it in trust for the benefit of the public.~~

~~*Public trees and shrubs* means all trees and shrubs for which any portion of the trunk is located on public property.~~

~~*Street rights-of-way* means a strip of land acquired by purchase, reservation, dedication, forced dedication, prescription or condemnation and intended to be occupied by a roadway or street.~~

~~*Street trees* means all trees and shrubs for which any portion of the trunk is located on street rights-of-way within the City.~~

~~(d) *Authority.* There is hereby created and established a City Tree Board for the City. The City Tree Board shall consist of a total of nine members comprised of residents of the City. The members shall be appointed at large by the Mayor, with approval of the City Council based on their interest or expertise regarding urban forestry. All members shall serve without compensation and may be removed by the City Council, as provided in this Code. City staff and administrative guidance shall be provided to the City Tree Board by the Parks and Recreation Department or by other City departments as necessary. The implementation of the activities associated with this division shall be dependent upon the City Council's ability to provide funds on an annualized basis.~~

~~(e) *Term of office.* The term of the nine persons to be appointed by the Mayor shall be three years, except that the term of three of the members appointed to the first Board shall be for only one year and the term of three members of the first Board shall be for two years. In the event that a vacancy shall occur during the term of any member, the successor shall be appointed by the Mayor with approval by the City Council for the unexpired portion of the term.~~

~~(f) *Quorum and operation.*~~

~~(1) *Quorum.* At any meeting of the City Tree Board, a quorum shall consist of five of the appointed members. No action shall be taken in the absence of a quorum. Five affirmative votes shall be required to pass any measure.~~

~~(2) *Meeting.* The City Tree Board shall meet as required in the furtherance of its duties set forth herein.~~

~~(3) *Board officers.* The City Tree Board shall elect a Chairman from its members and shall create and fill such other offices as deemed necessary. The term of the Chairman shall be one year with eligibility for reelection for no more than three consecutive terms.~~

~~(4) *Other operations.* The City Tree Board may develop bylaws or other rules of operation, establish subcommittees, develop and recommend to the City Council regulations, standards and specifications to be adopted separate from or as a part of this division as deemed necessary.~~

~~(g) *Community forestry plan.* It shall be the responsibility of the City Tree Board to study, investigate, counsel and develop and/or update periodically a written plan for the care, preservation, trimming, planting, replanting, removal or disposition of street trees, public trees and shrubs. Such plan shall incorporate an inventory of the existing street trees, public trees and shrubs. The Tree Board shall ensure that the plan will be in conformance with the goals and objectives of the current City land use and transportation plan by submittal to the Planning Commission for review and approval. Upon approval and adoption of the recommended plan by the City Council, it shall constitute the official community forestry plan and become a part of the City land use and transportation plan.~~

~~(h) *Tree planting, maintenance and removal standards.* Standards for the planting, maintenance and removal of trees are to be located within the community forestry plan. These standards shall not amend, abridge or modify the prohibition against obstructing motor vehicle operators' line of sight at intersections and entry points along streets.~~

~~(i) *Tree species.* The City Forester, with the approval of the City Tree Board, shall develop and maintain a list of suitable trees for planting along streets in three size classes: Small, medium and large. A list of trees not suitable for planting shall also be created.~~

~~(j) *Review by the City Council.* The City Council shall have the right to review the acts and decisions of the City Tree Board.~~

~~(k) *Exemptions.* Property owned and used by the schools or any branch of the County, State or federal governments shall be exempt from the provisions of these regulations.~~

~~(m) *Permit required.*~~

~~(1) Prior to any tree or shrub being planted in any street right-of-way or public property, as defined above, within the Downtown Revitalization Area or in the Project Area of the Campus Corner Revitalization Project Plan Area and Increment District, a permit must be obtained from~~

~~the City Forester. The purpose of this permit is to ensure that any trees or shrubs planted within this designated area are consistent with the overall community forestry plan. The Forester shall determine the criteria for granting a permit based upon, but not limited to, the species of tree or shrub, the time of year of planting and a proposed watering plan. In the event a tree or shrub is planted without the proper permit, a ten-day notice shall be given to the property owner to either remove the tree or shrub or obtain a permit. In the event that no permit is obtained or the tree or shrub is not removed, then the City Forester shall remove the tree or shrub.~~

~~(2) The project areas are described as:~~

~~(a) The Downtown Revitalization Area; and~~

~~(b) The Campus Corner Revitalization Project Plan Area and Increment District pursuant to each district's map on file in the office of the City Clerk.~~

~~(m) *Report.* In locations where a public hazard is created by a street tree, public tree or shrub the appropriate City department shall cause the abatement of the hazard and subsequently submit a report to the City Tree Board.~~

DIVISION 2-111-17 ANIMAL WELFARE OVERSIGHT COMMITTEE**2-347 Duties and Powers of the Animal Welfare Oversight Committee****2-347 Duties and Powers of the Animal Welfare Oversight Committee**

(a) Purpose. Provide advice and recommendations to the City Council related to the Norman Animal Shelter and issues pertaining to animal care and welfare, animal rescue, fostering and adoption, control of the animal population, standards for animal shelters, recruiting volunteers, budget priorities as identified by the Committee and suggest modifications to the City of Norman Code of Ordinances.

(b) Authority. There is hereby created a newly established an Animal Welfare Oversight Committee for the City. The Animal Welfare Oversight Committee shall consist of seven members appointed at-large by the Mayor with the approval of City Council. Membership in one or more of the following categories is preferred, but not required:

- (1) Veterinarian;
- (2) Local animal welfare organizations; and
- (3) At least one citizen from a rural area.

All members serve without compensation and may be removed by the City Council as provided in the Code. City staff and administrative guidance shall be provided by the Normal Animal Welfare staff and other City departments as necessary.

(c) Term of office. The term of the seven persons appointed by the Mayor shall be three years, except that the term of two members of the newly established Animal Welfare Oversight Committee shall be for only one year, the term of two members will be for two years and three members shall be for three years. In the event that a vacancy shall occur during the term of any member, the successor shall be appointed by the Mayor with the approval of the City Council for the unexpired portion of that term.

(d) Quorum and operation.

(1) Quorum. At any meeting of the Animal Welfare Oversight Committee, a quorum shall consist of four of the appointed members. No action shall be taken in the absence of a quorum. Four affirmative votes shall be required to pass any measure.

(2) Board officers. The Animal Welfare Oversight Committee shall elect a Chairman from its members and shall create and fill such other offices as deemed necessary. The term of Chair shall be one year with eligibility for reelection for no more than two consecutive terms.

Enhancing Accountability and Transparency

The Value of Internal Audit

The Importance of Internal Audit in Municipal Governance



What is Internal Audit?

- Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- Objectives:
 - Ensure compliance
 - Mitigate risks
 - Improve operations
 - Enhance accountability



Key Functions of Internal Audit

- Conducting risk assessments
- Developing audit plans
 - Risk-Based Triennial Audit Plan
- Performing audits and reviews
- Reporting findings and recommendations
- Monitoring implementation of corrective actions



Benefits of Internal Audit

- Enhanced accountability: Ensures compliance with laws, regulations, and policies
- Improved financial management: Identifies inefficiencies, reduces waste, and enhances fiscal responsibility
- Effective risk management: Identifies and mitigates risks to protect municipal assets and reputation
- Transparency and trust: Provides assurance to stakeholders and the public that municipal operations are conducted with integrity and efficiency



Internal Audit Process

- Overview of the internal audit process:
 - Planning: Identifying audit objectives, scope, and resources
 - Fieldwork: Gathering evidence, testing controls, and assessing risks
 - Reporting: Documenting findings, conclusions, and recommendations
 - Follow-up: Monitoring implementation of corrective actions



Establishing Governance for Internal Audit

- Importance of governance in ensuring the effectiveness and independence of internal audit
 - Governance provides the necessary structure, policies, and procedures to ensure the effectiveness, independence, and reliability of the City's internal audit function.
 - Establishing robust governance mechanisms is essential for establishing and maintaining the integrity and trustworthiness of the internal audit function within the City.
 - Lack of governance diminishes the credibility and value of Internal Audit and its auditing reports.
- Components of governance:
 - Internal audit charter: Defines purpose, authority, and responsibilities
 - Audit committee: Provides oversight and guidance
 - Policies and procedures: Establish standards for audit activities
 - Code of ethics: Ensures integrity, objectivity, and professionalism



Why Governance Matters

- Ensures independence: Prevents undue influence and bias in audit activities
- Enhances credibility: Demonstrates commitment to transparency and accountability
- Improves effectiveness: Provides clear roles, responsibilities, and processes for internal audit
- Aligns with best practices: Reflects industry standards and regulatory requirements for internal auditing (IIA Standards, GAGAS, COSO – Framework on IC)



Case Studies: Success Stories

- Examples of municipalities that have benefited from establishing governance for internal audit
 - Oklahoma State Auditor (1907)
 - Audit shows Oklahoma likely misspent millions in federal relief funds
 - Improper oversight by state officials led to more than \$29 million in federal funds being misspent that may have to be repaid to the federal government, Oklahoma Auditor & Inspector Cindy Byrd said Tuesday.
 - City of Tulsa Office of the City Auditor (Created 1909)
 - Implemented ThirdLine to detect fraud, waste, and abuse before it leaves the City's door (Integrates with the Tyler Munis Enterprise Resource Planning (ERP) system).
 - In 'significant' findings, city auditor points to gaps in Tulsa's \$87.8 million COVID relief fund accountability
 - A report released by Tulsa City Auditor Cathy Criswell states the Sheriff's Office is overcharging the city of Tulsa for inmate housing and a private company should take over the operations of the county jail (\$7.6 million is unaccounted for).
 - Oklahoma City Office of the City Auditor (Created 1975)
 - OCPD employee's discovery of missing property rooms funds leads to City audit
 - The department's former chief requested the audit after an employee discovered the property room was missing \$26,000.



Overcoming Challenges

- Common challenges in establishing governance for internal audit:
 - Resistance to change
 - Resource constraints
 - Lack of awareness or understanding
- Strategies for overcoming challenges:
 - Education and awareness-building
 - Collaboration and stakeholder engagement
 - Prioritization of resources and support from leadership



Conclusion

- Summary of key points:
 - Internal audit enhances accountability, transparency, and effectiveness in municipal governance
 - Establishing governance is essential for ensuring the independence and credibility of internal audit
- Call to action: Encourage city council to support the establishment of governance for internal audit to promote good governance and serve the best interests of constituents.



Q&A?



Contact Information

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405-833-5393

OR

Employees and Norman citizens are encouraged to call Eide Bailly, a regional Certified Public Accounting firm, at 866-912-5378 or email at www.eidebailly.com/hotline to report improper activities. (Report Tips and Remain Anonymous)

OR

You may still report them to your supervisor.



DRAFT**CITY OF NORMAN
INTERNAL AUDIT INTERNAL CHARTER****1. General**

This document sets forth the purpose, authority and responsibilities of the City Auditor of the City of Norman (hereafter referred to as the City).

2. Purpose and Mission

The purpose of the City Auditor is to provide independent, objective assurance, and consulting services designed to add value and improve the City of Norman's (The City) operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit Department helps the City of Norman accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

It also provides reasonable assurance to Management and City Council that the City's financial and operational controls, designed to manage the organization's risks and achieve the City's objectives, are operating in an efficient, effective and ethical manner and also assists management in improving the City's business performance.

The purpose of the Internal Audit Internal Charter is to define the scope, duties and responsibilities of the Internal Auditors and the submission of their report to the Audit Committee for recommending improvements to the operations of the City and strengthen the overall governance mechanism of the City.

3. Standards for the Professional Practice of Internal Auditing

The Internal Audit Department will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing (the Standards)*, and the Definition of Internal Auditing. The City Auditor will report periodically to the City Manager and the Audit Committee regarding the Internal Audit Department's conformance to the Code of Ethics and the *Standards*.

4. Authority

The City Auditor will report functionally to the Audit Committee and administratively (day-to-day operations) to the City Clerk. To establish, maintain, and assure that the City of Norman's Internal Audit Department has sufficient authority to fulfill its duties, City Council will:

- Approve the Internal Audit Department's Internal Charter.
- Approve the risk-based internal triennial audit plan.
- Approve the Internal Audit Department's budget and resource plan.
- Receive communications from the City Auditor on the Internal Audit Department's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the City Auditor.
- Approve the remuneration (salary) of the City Auditor.

DRAFT

- Make appropriate inquiries of management and the City Auditor to determine whether there is inappropriate scope or resource limitations.

The City Auditor will have unrestricted access to, and communicate and interact directly with, the Audit Committee, including in private meetings without management present.

City Council authorizes the Internal Audit Department to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of the City of Norman, as well as other specialized services from within, or outside the City of Norman, in order to complete the engagement.

5. Independence and Objectivity

The City Auditor will ensure that the Internal Audit Department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the City Auditor determines that independence or objectivity may be impaired in fact or appearance, the details will be disclosed to the appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe their work product, that no quality compromises are made, and that they do not subordinate their judgement on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the City of Norman or its affiliates.
- Initiating or approving transactions external to the Internal Audit Department.
- Directing the activities of any City of Norman employee not employed by the Internal Audit Department, except to the extent that such employees have been appropriately assigned to auditing teams, or to otherwise assist internal auditors.

Where the City Auditor has, or is expected to have, roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgements.

The City Auditor will confirm to City Council, at least annually, the organizational independence of the Internal Audit Department.

The City Auditor will disclose to the Audit Committee any interference, and related implications, in determining the scope of internal auditing, performing work, and/or communicating results.

6. Responsibilities

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to City Council, the Audit Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the City of Norman. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the City of Norman's strategic objectives are appropriately identified and managed.
- The actions of City of Norman's officers, directors, employees, and contractors are in compliance with the City of Norman's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, and applicable laws, regulations that could significantly impact the City of Norman.
- Information and the means used to identify, measure, analyze, classify and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The City Auditor will report periodically to senior management and City Council regarding:

- The Internal Audit Department's purpose, authority, responsibility.
- The Internal Audit Department's plan and performance relative to its plan.
- The Internal Audit Department's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.

- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the City Council.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to the City of Norman.

The City Auditor also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The Internal Audit Department may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the Internal Audit Department does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibilities

The City Auditor has the responsibility to:

- Submit, at least annually, to senior management and City Council an update to the triennial risk-based internal audit plan for review and approval.
- Communicate to senior management and City Council the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in City of Norman's business risks, operations, programs, systems, and controls.
- Communicate to senior management and the City Council any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the City Council any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the Internal Audit Department collectively possess or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Internal Audit Internal Charter.
- Ensure trends and emerging issues that could impact City of Norman are considered and communicated to senior management and City Council, as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the Internal Audit Department.

- Ensure adherence to City of Norman’s relevant policies and procedures, unless such policies and procedures conflict with the Internal Audit Internal Charter. Any such conflicts will be resolved or otherwise communicated to senior management and the City Council.
- Ensure conformance of the Internal Audit Department with the *Standards*, with the following qualifications:
 - If the Internal Audit Department is prohibited by law or regulation from conformance with certain parts of the *Standards*, the City Auditor will ensure appropriate disclosures and will ensure conformance with all other parts of the *Standards*.
 - If the *Standards* are used in conjunction with requirements issued by Government Auditing Standards issued by the Comptroller General of the United States, the City Auditor will ensure that the Internal Audit Department conforms with the *Standards*, even if the Internal Audit Department also conforms with the more restrictive requirements of Government Auditing Standards issued by the Comptroller General of the United States.

7. Quality Control and Peer Review

The City Auditor will establish and maintain a quality assurance and improvement program (QAIP) that covers all aspects of the Internal Audit Department. The program will include an evaluation of the Internal Audit Department’s conformance with the *Standards* and an evaluation of whether internal auditors apply The IIA’s Code of Ethics. The program will also assess the efficiency and effectiveness of the Internal Audit Department and identify opportunities for improvement.

The City Auditor will communicate to senior management and City Council on the Internal Audit Department’s quality assurance and improvement program (QAIP), including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the City of Norman.

Approval

City Auditor

Date

Mayor

Date

City Manager

Date

**A RESOLUTION CREATING POLICIES AND PROCEDURES
FOR THE OFFICE OF THE CITY AUDITOR**

WHEREAS, Article V, Section 3, of the Charter of the City of Norman provides that the City Auditor shall be selected by the City Council; and

WHEREAS, the Office of the City Auditor is established within the City of Norman, and its duties delineated, by Article V, Section 3 of the City of Norman Charter; and

WHEREAS, Mayor and City Council adopt certain policies and procedures in the above regard by resolution as deemed necessary; and

WHEREAS, recognizing that development of the triennial audit plan is a comprehensive and on-going process and recognizing that many audits and special projects performed by the City Auditor span multiple fiscal years, it is reasonable to create the policy to require that an audit plan covering a three year period be submitted for review and approval by the Audit Committee and Mayor and Council.

WHEREAS, the City Auditor has developed and the Audit Committee has reviewed the attached policy and procedure which is incorporated herein and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Norman that they do hereby adopt and direct the City Auditor to implement the attached Policies and Procedures for the Office of the City Auditor.

ADOPTED by the Council and **SIGNED** by the Mayor of The City of Norman the ____ day of May 2024.

Mayor

ATTEST:

City Clerk

DRAFT

APPROVED as to form and legality this ____ day of May.

City Attorney

**THE CITY OF NORMAN
OFFICE OF THE CITY AUDITOR
POLICIES AND PROCEDURES
CREATED AS OF MAY 15, 2024**

1. The City Auditor represents The City of Norman, as constituted by the duly elected Mayor and Council under the City Charter, and shall discharge his or her responsibilities accordingly. Answers to formal requests shall be addressed to the Mayor and Council jointly.

2. The City Auditor shall advise the Mayor and Council of any existing or potential personal or external impairments to his or her independence in all matters relating to the performance of his or her responsibilities as the City Auditor.

3. The City Auditor shall receive: a) copies of the financial statements and reports of The City of Norman and all its divisions and departments; b) copies of all audit reports and letters to management regarding internal controls; and c) consultants reports on matters affecting the operations of The City.

4. The City Auditor shall have full and complete access to any and all of The City's and its divisions' and departments' records, physical properties and personnel relevant to audit functions, as set out in the laws of the State of Oklahoma and the Charter and Ordinances of The City of Norman.

5. Potentially sensitive audit findings and disagreements with management shall be immediately addressed with the Audit Committee or the Council.

6. Management's responses to audit findings or recommendations of the City Auditor shall be submitted to the City Auditor in writing on a timely basis. Responses shall indicate what actions have been and/or will be taken in regard to specific findings and recommendations in the internal audit report, with additional comments as deemed appropriate by management.

7. The City Auditor shall determine whether appropriate action has been taken on reported audit findings and shall report the status to Mayor and Council.

8. The operations of the Office of the City Auditor shall be conducted in accordance with generally accepted government auditing standards and related internal auditing standards insofar as they be compatible with Oklahoma law and the Charter and Ordinances of The City of Norman.

9. Request for internal audit services from the Council, City Manager or Department Heads shall be written or confirmed in writing with the City Auditor. Requests shall define the scope and timing of services requested.

10. The City Auditor shall submit an audit plan once every three years covering a three year period for review and approval by the Audit Committee and Council. The audit plan may be amended as follows:

- a. If the City Auditor determines that there is serious concern regarding fraud, abuse, or illegality, or that the scope of an audit in progress should be expanded as the result of any findings, the City Auditor is authorized to amend the audit plan as appropriate. The City Auditor shall notify the Audit Committee and the Mayor and Council of the amendment.
- b. The audit plan may otherwise be amended following notification to and opportunity for comment by the Audit Committee and the Mayor and Council. Such amendments may be initiated by the Mayor and Council, Audit Committee, or the City Auditor.

11. Period progress reports reflecting the status of performance under approved audit plan shall be presented to the Audit Committee and provided to Mayor and Council.



IIA POSITION PAPER

The Internal Audit Charter

A Blueprint to Assurance Success

Introduction

One of the great challenges every organization faces is assuring efficient and effective risk management — those policies and processes designed to leverage or mitigate risks to the organization's advantage. When done well, internal audit provides that assurance as part of its role to protect and enhance organizational value.

For internal audit to operate at the highest levels, it must have clearly defined and articulated marching orders from the governing body and management. This is most easily achieved with a well-designed internal audit charter.

The IIA's Perspective

Every organization can benefit from internal audit, and an internal audit charter is vital to success of the activity (IIA Standard 1000). The charter is a formal document approved by the governing body and/or audit committee (governing body) and agreed to by management. It must define, at minimum:

- Internal audit's purpose within the organization.
- Internal audit's authority.
- Internal audit's responsibility.
- Internal audit's position within the organization.

The IIA has produced model charters available to IIA members [here](#) in eight languages.

Why the Internal Audit Charter Is Important

A charter provides the organization a blueprint for how internal audit will operate and helps the governing body to clearly signal the value it places on internal audit's independence.

Ideally it establishes reporting lines for the chief audit executive (CAE) that support that independence by reporting functionally to the governing body (or those charged with governance) and administratively to executive management. It also provides the activity the needed authority to achieve its tasks, e.g., unfettered access to records, personnel, and physical properties relevant to performing its work.

KEY TAKEAWAYS

The internal audit charter is vital to internal audit's success and should be reviewed annually by the governing body.

The internal audit charter should be approved by the governing body and agreed to by senior management.

The charter should at a minimum include internal audit's purpose and mission, authority, responsibility, its independent reporting relationships, scope and requirement to conform to IIA Standards.

The internal audit charter should include details of how the internal audit activity will assess and report on the quality of the internal audit activity.

A charter provides a blueprint for how internal audit will operate and allows the governing body to clearly signal the value it places on internal audit's independence.

Because internal audit can operate across the entire spectrum of industries, from financial services to chemical manufacturing to government, the audit charter allows the scope of internal audit activity to be defined specifically to unique needs of the organization.

The charter can provide — in great detail if desired — what work internal audit will undertake and the support it will receive from senior management and the governing body to achieve that work. Finally, the audit charter serves as a reference point to measure the effectiveness of the internal audit activity.

Vital Components of an Internal Audit Charter

The IIA has identified seven key areas that support the overall strength and effectiveness of the activity and should be covered in the internal audit charter. While some internal audit charters may not include all of these elements, any area the charter fails to address threatens to weaken it and, ultimately, the activity.

- **Mission and Purpose:**
 - Internal audit's **mission** is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.
 - Internal audit's **purpose** is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations.
- **International Standards for the Professional Practice of Internal Auditing:**
 - The internal audit activity will govern itself by adherence to the mandatory elements of The IIA's International Professional Practices Framework (IPPF) including its *Standards*, *Core Principles for the Professional Practice of Internal Auditing*, *Definition of Internal Auditing*, and *Code of Ethics*.
- **Authority – The charter should include:**
 - A statement on the CAE's functional and administrative reporting relationship in the organization.
 - A statement that the governing body will establish, maintain and assure that the internal audit activity has sufficient authority to fulfill its duties by:
 - Approving the internal audit charter.
 - Approving a timely, risk-based, and agile internal audit plan.
 - Approving the internal audit budget and resource plan.
 - Receiving timely communications from the CAE on performance relative to its internal audit plan.
 - Actively participating in discussions about and ultimately approving decisions regarding the appointment and removal of the CAE.

FIVE QUESTIONS

Stakeholders must send a clear and unambiguous message about internal audit's role in the organization.

Here are five key questions they should be asking:

1.
Has the governing body created an internal audit charter that establishes the activity's purpose and mission, scope, authority, responsibility, and reporting relationships?
2.
Does the charter address establishing reporting relationships that enable independence and objectivity of the CAE?
3.
Does the charter clearly establish internal audit's right to complete and unfettered access to all records and people to the extent necessary to carry out its work?
4.
Does the audit charter clearly define the responsibility of the CAE?
5.
In addition to requiring internal audit to comply with IIA global internal audit standards, does the audit charter require the activity to report on its effectiveness?

- Actively participating in discussions about and ultimately approving the remuneration of the CAE.
 - Making appropriate inquiries of management and the CAE to determine if there are any inappropriate scope or resource limitations.
 - Developing and approving a statement that the CAE will have unrestricted access to, and communicate and interact directly with, the governing body without management present.
 - Developing and approving an authorization that the activity will have free and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Independence and Objectivity – The charter should include:
 - A statement that the CAE will ensure that the internal audit activity remains free of conditions that threaten the ability of the activity to carry out its activities in an unbiased matter. If independence or objectivity is impaired in fact or appearance, the CAE will disclose the details of the impairment to the appropriate parties.
 - A statement that the internal audit activity will have no direct operational responsibility or authority over any of the activities audited.
 - A statement that if the CAE has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence and objectivity.
 - A requirement for the CAE to confirm at least annually the independence of the internal audit activity to the governing body.
- Scope of Internal Audit Activities – The charter should include:
 - A statement that the scope of the internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments on the adequacy and effectiveness of governance, risk management, and control processes.
 - A statement that the CAE will report periodically to senior management and the governing body on the results of its department and the work the activity performs.
- Responsibility – The charter should include:
 - Statements as to the responsibility for:
 - Submitting at least annually a risk-based internal audit plan.
 - Communicating with senior management and the governing body the impact of resource limitations on the plan.
 - Ensuring the internal audit activity has access to appropriate resources with regard to competency and skill.
 - Managing the activity appropriately for it to fulfill its mandate.
 - Ensuring conformance with IIA *Standards*.
 - Communicating the results of its work and following up on agreed-to corrective actions.
 - Coordination with other assurance providers.
- Quality Assurance and Improvement Program – The charter should include:
 - A statement that the internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity including its evaluation of conformance to IIA *Standards*.
 - A requirement for the CAE to report periodically the results of its quality assurance and improvement program to senior management and the governing body and to obtain an external assessment of the activity at least once every five years.

Conclusion

The internal audit charter should be viewed by senior management and the governing body as an important board policy document that enables the CAE and internal audit activity to effectively carry out their roles in the organization. It establishes clarity among risk managers within the organization and among stakeholders of internal audit's role in the risk management process, and helps stakeholders to enable and measure internal audit's value to the organization.

A charter provides a blueprint for how internal audit will operate and allows the governing body to clearly signal the value it places on internal audit's independence.

About Position Papers

The IIA promulgates Position Papers on key issues of interest to stakeholders and practitioners with the aim of advocating for sound governance and educating those involved in it. The positions outlined offer insights into various aspects of the governance process and internal audit's vital role in improving governance at all levels and adding value to the organization. Position Papers are developed and reviewed through a rigorous process that solicits input and critique from practicing internal audit professionals and other IIA volunteers who serve on The IIA's Global Advocacy Committee, IIA Standards Board, and The IIA's Professional Responsibility and Ethics Committee.

About The IIA

The IIA is the internal audit profession's most widely recognized advocate, educator, and provider of standards, guidance, and certifications. Established in 1941, The IIA today serves more than 190,000 members from more than 170 countries and territories. The IIA's global headquarters are in Lake Mary, Fla. For more information, visit www.theiia.org.

Disclaimer

The IIA publishes this document for informational and educational purposes. This material is not intended to provide definitive answers to specific individual circumstances and as such is only intended to be used as a guide. The IIA recommends seeking independent expert advice relating directly to any specific situation. The IIA accepts no responsibility for anyone placing sole reliance on this material.

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January 2019



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