

**ORDINANCE 21-32**  
**AN ORDINANCE AMENDING HOLDEN BEACH CODE OF ORDINANCES, SECTION 30.26: AUDIT COMMITTEE**

Formatted: Left: 0.8", Right: 0.8", Top: 0.8", Bottom: 0.8"

BE IT ORDAINED BY the Mayor and Board of Commissioners of the Town of Holden Beach, North Carolina, that Section 30.26: Audit Committee be amended as follows.

**Section One:** Amend § 30.26 to read as follows:

Formatted: Font color: Auto

§ 30.26 AUDIT COMMITTEE ~~OF THE BOC.~~

CREATION, NAME AND NUMBER OF MEMBERS

There is hereby established an Audit Committee which shall be comprised of a member of the Board of Commissioners and not less than 2 or more than 4 residents or property owners of the Town of Holden Beach as full members plus 1 alternate member.

POWERS AND DUTIES

The Audit Committee shall

~~(A) There is hereby established an Audit Committee of the BOC, which shall be comprised of a Chairman of the BOC Audit Committee and not fewer than two, nor more than four Public Members, as determined by the BOC at the first regular Board of Commissioners meeting in January.~~

~~(B) Powers and duties. The Audit Committee shall:~~

~~(1) Serve as an advisory board-committee for the town's Board of Commissioners (BOC);~~

~~(2) Assist and advise the BOC in its oversight responsibilities for the town's financial reporting-process, systems of internal financial controls and the external audit process;~~

~~(3) Recommend to the BOC each year the selection of the independent external audit firm to firm to conduct the annual external audit, using a request for proposals selection process when deemed necessary by the Audit Committee;~~

(4) Monitor the performance of the commercial public accounting firms providing audit services to the Town;

Formatted: Indent: Left: 0.5", First line: 0.5"

~~(45) Evaluate-Monitor the performance of the external audit firm as it relates to the annual audit of the town-and its self-insurance policies;~~

(6) Review the annual audit report with the external auditor and provide a written opinion to the BOC;

Formatted: Indent: Left: 0.5", First line: 0.5"

~~(5) Review, advise and make recommendations to the BOC with respect to the town's treasury management function and its' risk management policies and procedures, including without limitation, the town's insurance and self-insurance policies;~~

~~(76) Confirm-Periodically confirm the suitability of the town's internal control systems and/or policies, are in place and implemented, including information technology security and control;~~

(78) ~~Confirm~~ Receive confirmation Town Management implements that audit report recommendations have been acted upon in advance of the commencement of the next external audit;

~~(8) Continually evaluate the independence of the external auditors; to audit findings and forward findings to the Board of Commissioners;~~

~~(9) Review the town's CAFR, management letter and management's response;~~

~~(10) Review and reassess the adequacy of this Charter at least every two years, with any revision submitted to the Board of Commissioners for approval;~~

~~(11) Provide an avenue of communication among the Board of Commissioners, Town Management and the external independent auditors;~~

(129) Perform other functions from time to time as shall be delegated or assigned to it by the BOC.

#### APPOINTMENT, TERMS

The Commissioner shall be appointed by the BOC in January of each year. Other members of the Audit Committee shall be appointed by the BOC for three-year terms, with the exception of 2022 when two members shall be appointed for three years and two members for two years. Appointments shall normally be made in January. Each member of the Audit Committee shall serve at the pleasure of the Board during their appointment.

~~(C) Appointment, terms. The Chairman of the BOC Audit Committee shall be elected by the BOC at the first regular meeting in January. The Chairman of the Audit Committee shall make a recommendation to the Board of Commissioners on who shall serve as Public Members. The Chairman of the BOC Audit Committee, an elected Commissioner, and each of the Public Members shall have a normal term of one year, and shall serve at the pleasure of the BOC.~~

#### MEETINGS AND ATTENDANCE

~~(D) Meetings.~~

The Audit Committee shall meet quarterly and in addition at least one time per year to review the final audit with the external audit firm. Additional meetings may be called by the Chair as deemed necessary in fulfillment of the duties of the Committee.

~~(1) The Audit Committee will meet at least four times each year (quarterly) to assess the quarterly financial statements. The Committee will also meet at least one additional time a year to review the final audit report from the external auditors. The Chair may call additional meetings as deemed necessary in fulfillment of the role of the Committee.~~

~~(2) The Audit Committee shall comply with the provisions of the North Carolina Open Meetings Law, G.S. §§ 143-318.9 et seq. A quorum shall be in attendance before any action of an official nature can be taken. A quorum shall exist when a majority of the Committee is in attendance. is defined as at least one more than the number absent of the appointed members.~~

The Town Manager or his or her designee shall also be in attendance in addition to staff that he or she invites to provide pertinent information on agenda items. Auditors or other outside specialists may also be invited by the Committee or the Town Manager as appropriate.

An appointed member of the Audit Committee who misses three consecutive regular meetings loses their status as a member.

~~(3) The Audit Committee may invite the manager, staff, auditors and others to attend the meetings and provide pertinent information, as necessary.~~

~~(E) Attendance. All Committee members are expected to attend every meeting. Requests for excused absences due to sickness, death or emergencies of like nature shall be approved by the Committee as approved absences and shall not affect membership, except that in the event of a long illness, or other such cause for prolonged absence, the member may be replaced.~~

#### OFFICERS

There shall be a Chair and Vice Chair of the Audit Committee. An annual election of the Chair and Vice Chair shall occur at the first regular meeting of the year.

The Town Manager or his or her designee shall serve as secretary to the Audit Committee.

#### OFFICERS' DUTIES

The Chair of the Audit Committee shall preside at all meetings and shall appoint all committees.

When the Chair is absent, the Vice Chair shall perform the duties of the Chair. When both the Chair and Vice Chair are absent, a temporary Chair shall be selected by those members who are present.

The Chair shall assemble and provide an agenda to the Secretary at least one week in advance of a scheduled meeting.

The Secretary shall provide to all members copies of agendas, official reports, information relevant to the Committee's duties provided to the Secretary by any committee member and the official minutes of all regular and special meetings at least 3 working days prior to the next scheduled meeting.

(Ord. 16-02, passed 1-12-16; Am. Ord. 18-18, passed 12-18-18; Am. Ord 21-?)

**Section Two:** The Town Clerk is directed to forward this ordinance to American Legal Publishing for inclusion in the next published supplement to the Holden Beach Code of Ordinances.

**Section Three:** This ordinance shall be effective the 17<sup>th</sup> day of November, 2021.

This the 16<sup>th</sup> day of November, 2021.

Formatted: Superscript

Formatted: Superscript

\_\_\_\_\_  
J. Alan Holden, Mayor

ATTEST:

\_\_\_\_\_  
Heather Finnell, Town Clerk