

ORDINANCE NO. _____

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, CALIFORNIA
AMENDING TITLE 2 OF THE GLENDALE MUNICIPAL CODE, 1995, BY DELETING
SECTION 2.08.130, AMENDING SECTIONS 2.82.100 and 2.82.120, AND ADDING CHAPTER
2.34, PERTAINING TO THE CREATION OF A DEPARTMENT OF INNOVATION,
PERFORMANCE AND AUDIT**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE:

SECTION 1. Section 2.38.130 of the Glendale Municipal Code, 1995, is deleted in its entirety.

SECTION 2. Title 2 of the Glendale Municipal Code, 1995 is amended to add Chapter 2.34 which is to read as follows:

Chapter 2.34

DEPARTMENT OF INNOVATION, PERFORMANCE AND AUDIT

SECTION 3. Section 2.34.010 is added to the Glendale Municipal Code, 1995, to read as follows:

2.34.010 Department of innovation, performance and audit.

- A. A department of innovation, performance and audit is established. The department shall be comprised of the following divisions: innovation and performance; internal audit, and; any other division as determined by the city manager to the extent same are not inconsistent with the charter and ordinances of the city. The department will oversee the city's internal audit function, and collect, track and analyze organization-wide performance measures. The department will lead the organization's efforts in designing effective processes, change management and learning programs to meet the demands of the organization and improve performance to positively affect operations. The innovation and performance division's work will result in consensus building, new procedures, processes and services. The internal audit division shall prepare an annual work plan based on an assessment of relative risk. The audit committee shall, under the direction of the city council, review and recommend to the city manager the annual work plan and priorities of the internal audit division and may from time to time direct inquiry to the internal audit division within the scope of its duties, and receive any responses as the audit committee may require. All full-time employees of the department of innovation, performance and audit shall be hired through the appropriate city recruitment process and shall be classified positions.
- B. Duties – generally.
1. Innovation and Performance: The innovation and performance division will act as in-house consultants and leverage the work of internal audit to identify areas of the city worth examination to help operational departments bridge the divide between audit findings, performance assessments, and industry best practices.

2. Internal Audit: The internal audit division shall have authority to conduct financial and performance audits of all departments, offices, boards, commissions, activities, and programs of the city in order to determine both independently and objectively whether:
 - a. Activities and programs being implemented have been appropriately authorized and are being conducted and funds expended in compliance with applicable laws;
 - b. The department and/or staff are acquiring, managing, protecting and using its resources, including public funds, personnel, property, equipment, and space economically, efficiently, equitably, and effectively and in a manner consistent with the objectives intended by the city charter or code, state law or applicable federal law or regulation;
 - c. The city, programs, activities, functions, or policies are effective, including the identification of any causes of inefficiencies or uneconomical practices;
 - d. The desired result or benefits are being achieved;
 - e. Financial and other reports are being provided that disclose fairly, accurately, and fully all information required by law, to ascertain the nature and scope of programs and activities, and to establish a proper basis for evaluating the programs and activities including the collection of, accounting for, and depositing of, revenues and other resources;
 - f. Management has established adequate operating and administrative procedures and practices, systems or accounting internal control systems and internal management controls; and
 - g. Indications of fraud, abuse or illegal acts are valid and need further investigation.
- C. Internal Audit qualifications. Internal Audit staff shall possess adequate professional proficiency, demonstrated by relevant certification, such as Certified Internal Auditor (CIA), Certified Public Accountant (CPA), or Certified Government Auditing Professional (CGAP) and maintain professional competency. Internal auditors shall have no authority or responsibility for the activities audited. Audits shall be conducted in accordance with recognized government auditing standards.
- D. Reporting requirement. The director of innovation, performance and audit, or the person within the internal audit division of the department designated by the director, shall render and deliver final reports of his or her audits or investigations to the city manager, with simultaneous delivery of copies of such reports to the city council, the audit committee, department director responsible for the area audited, and the director of finance, except the audit committee may, with the approval of the city council, direct that any final report not be distributed to the director of finance and/or the city manager. Internal audit division staff shall meet regularly with the audit committee to review the audit priorities, annual work plan and audit project results. The department of innovation, performance and audit shall not publicly disclose any information received during an audit or any completed audit that is deemed confidential in nature by any local, state or federal law or regulation.
- E. Access to information.
 1. The City employees and officers shall allow inspection of all property, equipment and facilities within their custody, and furnish to the internal audit division with

unrestricted access to employees, information and records (including electronic/computerized data) within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts and methods of business required to conduct an audit or otherwise perform audit duties authorized under this section;

2. All contractors, subcontractors, vendors or entities doing business with the city, for consideration received, shall provide the internal audit division staff access to the contractually related financial and performance-related records; property, equipment and services purchased in whole, or in part, with governmental funds.

SECTION 4. Section 2.34.010 is added to the Glendale Municipal Code, 1995, to read as follows:

2.34.020 Director of innovation, performance and audit.

The office of director of innovation, performance and audit is created. For purposes of this chapter, the director of innovation, performance and audit shall be the head of the department of innovation, performance and audit and shall be an officer of the city. The office of director of innovation, performance and audit shall report directly to the city manager, with a secondary and independent duty to report to the audit committee as set forth in Section 2.34.010 with regard to the internal audit function only.

SECTION 5. Section 2.82.100 of the Glendale Municipal Code, 1995 is amended to read as follows:

2.82.100 Powers and duties generally.

A. The primary function of the audit committee is to review the financial information which will be provided to various parties, the system of internal controls and provide independent recommendation to the city council regarding the scope, areas of audit and priority.

B. The audit committee shall, under the direction of the city council, review and recommend to the city manager the annual work plan and priorities of the internal audit division of the innovation, performance and audit department and may from time to time direct inquiry to the internal audit division staff within the scope of his or her duties, and receive any response as the audit committee may require.

C. The audit committee shall recommend to the city council the independent accountants to be nominated, the compensation of the independent accountants, and review and recommend the discharge of the independent accountants.

D. The audit committee shall report its actions to the city council at least once annually with such recommendations as the audit committee may deem appropriate.

E. The audit committee shall perform such other functions as assigned by law, or as required by the city council that are not inconsistent with the city Charter.

SECTION 6. Section 2.82.120 of the Glendale Municipal Code, 1995 is hereby amended to read as follows:

2.82.120 Cooperation of city officials.

The director of finance or his or her designee, the city manager or his or her designee, the director of innovation, performance and audit or his or her designee, and the employee in the internal audit division so directed by the director of innovation, performance and audit shall attend each meeting and provide advice or assistance as requested by the audit committee. The director of finance or his or her designee shall provide stenographic or other assistance as is necessary to maintain records of the audit committee proceedings. All other officers, divisions and division heads of the city shall cooperate and render all of, or on behalf of, the city by virtue of their activities as audit committee members.

Adopted by the Council of the City of Glendale on this ___day of _____, 2017.

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

ss:

I, ARDASHES KASSAKHIAN, City Clerk of the City of Glendale, certify that the foregoing Ordinance No. _____ was passed by the Council of the City of Glendale, California, at a regular meeting held on the _____ day of _____, 2017, and that the same was passed by the following vote:

- Ayes:
- Noes:
- Absent:
- Abstain:

City Clerk

APPROVED AS TO FORM

Michael J. Garcia

CITY ATTORNEY

DATE 6/7/17