10. **COMMITTEES BOARDS COMMISSION**

c. **RESOLUTION 08-118 ESTABLISHING AN AUDIT COMMITTEE PURSUANT TO SECTION 218.391, FLORIDA STATUTES FOR THE PURPOSE OF ASSISTING THE CITY OF SANIBEL IN SELECTING AN AUDITOR TO CONDUCT THE ANNUAL FINANCIAL AUDIT; AND PROVIDING AN EFFECTIVE DATE**

CITY OF SANIBEL

RESOLUTION 08-118

A RESOLUTION ESTABLISHING AN AUDIT COMMITTEE PURSUANT TO SECTION 218.391, FLORIDA STATUTES FOR THE PURPOSE OF ASSISTING THE CITY OF SANIBEL IN SELECTING AN AUDITOR TO CONDUCT THE ANNUAL FINANCIAL AUDIT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Section 218.391, Florida Statutes requires that a municipality shall establish an audit committee with the purpose of assisting the governing body in selecting an auditor to conduct the annual financial audit required in section 218.39, Florida Statutes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sanibel, Florida:

Section 1. An Audit Committee is hereby established as an ad hoc committee for the purpose of assisting the City of Sanibel in selecting an auditor to conduct the annual financial audit as required by Section 218.391, Florida Statutes.

Section 2. The Audit Committee shall be comprised of not less than four (4) nor more than seven (7) members including the following:

(a) Finance Director,

(b) Administrative Services Director,

(c) No less than one (1) nor more than two (2) other City staff member(s) appointed by the City Manager, and

(d) No less than one (1) nor more than three (3) members of the public who are taxpayers and/or voters of the City of Sanibel.

Section 3. A member of City Council may be appointed to serve as the liaison to the Audit Committee.

Section 4. The Audit Committee shall perform each of the procedures outlined by Section 218.391, Florida Statutes, as it may be from time to time amended, a copy of which is attached hereto and incorporated herein by this reference.

Section 5. The Audit Committee shall complete the performance of these tasks by Wednesday, October 15, 2008. The Committee shall make a recommendation to

City Council in conjunction with a Resolution awarding a contract to the successful audit firm at the Tuesday, October 21, 2008 City Council meeting.

Section 6. At the completion of the responsibilities of the Audit Committee as outlined herein, the committee shall be disbanded.

Section 7. Effective date. This resolution shall take effect immediately upon adoption.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Florida this 26th day of August, 2008.

AUTHENTICATION:

_____ _____

Mick Denham, Mayor Pamela Smith, City Clerk

APPROVED AS TO FORM: Kenneth B. Cuyler 8/20/08

Kenneth B. Cuyler, City Attorney Date

Vote of Council Members:

Denham _____
Ruane _____
Jennings _____
Johnston _____
Pappas _____

Date filed with City Clerk: _____

Select Year: 2008 Go

The 2008 Florida Statutes

Title XIV	Chapter 218	View Entire Chapter
TAXATION AND FINANCE	FINANCIAL MATTERS PERTAINING TO POLITICAL SUBDIVISIONS	

218.391 Auditor selection procedures.--

(1) Each local governmental entity, district school board, charter school, or charter technical career center, prior to entering into a written contract pursuant to subsection (7), except as provided in subsection (8), shall use auditor selection procedures when selecting an auditor to conduct the annual financial audit required in s. 218.39.

(2) The governing body of a charter county, municipality, special district, district school board, charter school, or charter technical career center shall establish an audit committee. Each noncharter county shall establish an audit committee that, at a minimum, shall consist of each of the county officers elected pursuant to s. 1(d), Art. VIII of the State Constitution, or a designee, and one member of the board of county commissioners or its designee. The primary purpose of the audit committee is to assist the governing body in selecting an auditor to conduct the annual financial audit required in s. 218.39; however, the audit committee may serve other audit oversight purposes as determined by the entity's governing body. The public shall not be excluded from the proceedings under this section.

(3) The audit committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.

(c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.

(d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.

(e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

(4) The governing body shall inquire of qualified firms as to the basis of compensation, select one of the firms recommended by the audit committee, and negotiate a contract, using one of the following methods:

(a) If compensation is not one of the factors established pursuant to paragraph (3)(a) and not used to evaluate firms pursuant to paragraph (3)(e), the governing body shall negotiate a contract with the firm ranked first. If the governing body is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be formally terminated, and the governing body shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, negotiations shall then be terminated with that firm and undertaken with the third-ranked firm. Negotiations with the other ranked firms shall be undertaken in the same manner. The governing body, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time.

(b) If compensation is one of the factors established pursuant to paragraph (3)(a) and used in the evaluation of proposals pursuant to paragraph (3)(d), the governing body shall select the highest-ranked qualified firm or must document in its public records the reason for not selecting the highest-ranked qualified firm.

(c) The governing body may select a firm recommended by the audit committee and negotiate a contract with one of the recommended firms using an appropriate alternative negotiation method for which compensation is not the sole or predominant factor used to select the firm.

(d) In negotiations with firms under this section, the governing body may allow a designee to conduct negotiations on its behalf.

(5) The method used by the governing body to select a firm recommended by the audit committee and negotiate a contract with such firm must ensure that the agreed-upon compensation is reasonable to satisfy the requirements of s. 218.39 and the needs of the governing body.

(6) If the governing body is unable to negotiate a satisfactory contract with any of the recommended firms, the committee shall recommend additional firms, and negotiations shall continue in accordance with this section until an agreement is reached.

(7) Every procurement of audit services shall be evidenced by a written contract embodying all provisions and conditions of the procurement of such services. For purposes of this section, an engagement letter signed and executed by both parties shall constitute a written contract. The written contract shall, at a minimum, include the following:

(a) A provision specifying the services to be provided and fees or other compensation for such services.

(b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract.

(c) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed.

(8) Written contracts entered into pursuant to subsection (7) may be renewed. Such renewals may be done without the use of the auditor selection procedures provided in this section. Renewal of a contract shall be in writing.

History.--s. 65, ch. 2001-266; s. 1, ch. 2005-32.

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