

RESOLUTION NO. 91-1168

A RESOLUTION AUTHORIZING THE POSITION OF INTERNAL AUDITOR FOR THE CITY OF OLATHE; FURTHER ADOPTING A STATEMENT OF MISSION, PURPOSE, AUTHORITY AND RESPONSIBILITY.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OLATHE, KANSAS:

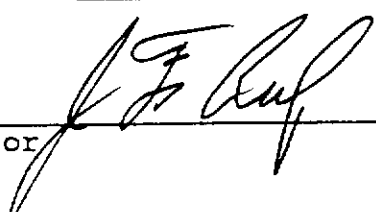
SECTION ONE: That there is hereby established a position of Internal Auditor for the City of Olathe, Kansas.

SECTION TWO: That the mission, purpose, authority and responsibility of the Internal Auditor is as defined in Exhibit A attached hereto and incorporated by reference as if fully set out.

SECTION THREE: That this Resolution shall take effect immediately.

ADOPTED by the Governing Body this 5th day of Nov, 1991.

SIGNED by the Mayor this 5th day of Nov, 1991.

Mayor 

ATTEST:


City Clerk

(SEAL)

APPROVED AS TO FORM:


Municipal Counsel

EXHIBIT A

City of Olathe Internal Auditor Statement of Mission, Purpose, Authority and Responsibility

The Internal Audit Function of the City of Olathe, Kansas, is an independent appraisal established to examine and evaluate the activities of the city to assist the Council members in the effective discharge of their responsibilities.

The Internal auditor reports directly to the city Council and receives guidance from them in determining the mission, objectives, and priorities of the Internal Audit Function.

The internal auditor is governed by and operates within the Professional Internal Auditing Standards and Code of Ethics of the Institute of Internal Auditors. There are no restrictions on the scope of the auditor's work and access is hereby granted to all city records, reports, and personnel as deemed necessary by the internal auditor to complete the approved audit plan or approved special projects.

Independence is absolutely vital to the execution of the internal audit function. Independence is achieved through reporting to the Council, maintaining organizational separation, and having no direct authority or responsibility for activities examined.

MISSION STATEMENT

To serve the Council and City Management in the effective operation of the City through the independent examination and evaluation of the effectiveness of the system of internal control and the quality of performance of operations and programs.

OBJECTIVES

1. Review for adequacy and effectiveness the systems of internal control to determine if the established systems provide reasonable assurance that the City's mission and goals will be met efficiently and economically.
 - a. Review the reliability, integrity and timeliness of financial and operating information and the means used to identify, measure, classify and report such information.
 - b. Review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the operations, reports, and viability of the City. Determine whether the activities audited are in compliance with the appropriate requirements.

- c. Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
 - d. Appraise the economy and efficiency with which resources are employed by determining if proper operating standards have been established for measuring economy and efficiency.
2. Review operations and programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
 3. Identify opportunities to improve effectiveness of systems of internal control and operating performance and recommend solutions to problems.
 4. Coordinate audit efforts with those of the City's independent public accountants to provide complete and efficient audit coverage.

REPORTING RELATIONSHIPS

The internal auditor reports formally to the City Council to discuss the status of the approved audit work plan on a monthly basis. During this monthly meeting, the auditor will present the status of management's implementation of corrective actions recommended in audit reports and agreed to by management. This status will be limited to management's representations unless a follow up audit has been completed. Informal reports will be presented as required by the Council. The auditor will prepare an annual report within two weeks of the end of the calendar year which summarizes the results of the previous year's audit activity. At the same time, the auditor will present the proposed annual audit plan for the following year for Council review and approval. Critical issues will be presented to the Council as soon as they have been confirmed by audit testing.

Periodic informal meetings to discuss the status of audits in progress shall be held with the department head being audited. A closing meeting shall be held within one week of the end of field work with the head of the department being audited and the City Manager to present the results of audit testing and discuss the auditor's recommendations. A draft report outlining each audit issue and recommendation shall be provided to the city Council and City Manager within one week of the closing meeting. The City Management responses will be requested to be returned to the auditor and City Council within two weeks of receipt of the draft report.

Within one week of the receipt of the City Management responses, the auditor will provide a final report (includes issues, recommendations and management's responses) to the City Council.