



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

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## OFFICE OF THE CITY ATTORNEY

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### MEMORANDUM

TO: Mayor and City Council

FROM: Joel P. Landeen, City Attorney

DATE: 8-12-12

RE: Revisions to the Compass Ordinance

The City's Chief Auditor Kelan Kelly has undertaken a review of the Compass ordinance. He has made several recommendations to improve on the ordinance based on his extensive experience with independent audit programs. Many of the changes involved amending the language so that it more accurately reflected what the program's goals were and to be consistent with the terminology used by similar programs. The reference to "internal" audit has been changed to "independent" audit and the title "Lead Auditor" has been changed to "Chief Auditor." Mr. Kelly's proposed revisions have been reviewed by the Audit Committee and the attached ordinance reflects the Committee's revisions based on his recommendations. My office has also participated in this review and assisted in the drafting of the revisions. The other Major items which were revised are as follows:

1. The provision on hiring the Chief Auditor has been clarified. The ordinance has been amended to reflect that the Audit Committee has the authority to hire up to Step D on the Chief Auditor compensation scale subject to the funds which have been budgeted by the City Council. Hiring a Chief Auditor above this amount would take full Council approval. This is analogous to the current policy for the hiring of City officer's by the executive branch.
2. The City Council members of the Audit Committee will no longer be appointed by the Council Leadership. The Council Leadership will instead nominate the two Council members of the Committee and forward their names to the full City Council approval.
3. Some changes were made to the provision on reporting potential legal violations discovered by the independent audit staff.

