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RESOLUTION 26-01

**A RESOLUTION OF THE CITY OF MARCO ISLAND, FLORIDA
AMENDING RESOLUTION 20-06 TO PROVIDE FOR ADDITIONAL
RESPONSIBILITIES FOR THE CITY OF MARCO ISLAND AUDIT
ADVISORY COMMITTEE; PROVIDING FOR THE COMMITTEE'S
PURPOSE, MEMBERSHIP, DUTIES, RESPONSIBILITIES, AND
MEETINGS; PROVIDING FOR CONFLICTS; PROVIDING FOR
SEVERABILITY AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, Section 2-201, Code of Ordinances of the City of Marco Island, provides, with regard to the normative manner and method of creating City boards and committees, that advisory bodies may be created by ordinance, resolution, or motion at the discretion of City Council and shall also describe the duties and the qualifications of its members; and

WHEREAS, Section 1.03 of the City Charter of the City of Marco Island relates to the municipal powers of the City and provides that all powers possible are granted to the City under the Constitution and laws of the State of Florida; and

WHEREAS, on March 16, 2020, the City Council established the Audit Advisory Committee pursuant to Resolution 20-06; and

WHEREAS, the City Council desires to assign additional responsibilities for the Audit Advisory Committee, to include financial reporting oversight, internal controls, risk management, performance insights, regulatory compliance, and other duties; and

WHEREAS, the City Council finds that this Resolution serves a municipal and public purpose, and is in the best interest of the health, safety, and welfare of the residents of the City of Marco Island.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARCO ISLAND, FLORIDA, AS FOLLOWS:

SECTION 1. Recitals. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true, correct and incorporated into this Resolution.

SECTION 2. Creation of The City Audit Advisory Committee; Purpose.

(a) There is hereby established a City of Marco Island Audit Advisory Committee ("AAC") to be composed of members appointed by the City Council.

(b) The purpose of the Audit Advisory Committee is to serve in an advisory capacity to the City Council in the selection of an auditor to conduct the City's annual financial audit and to act in an advisory capacity with respect to the oversight of financial reporting, the evaluation of internal controls, the assessment of risks affecting the City's financial stability, the review of the City's financial performance, engagement with external auditors throughout the audit cycle, and carry out all responsibilities as provided in this Resolution.

52
53 **SECTION 3. Audit Advisory Committee Membership and Responsibilities.**
54

55 (a) The Audit Advisory Committee shall consist of seven (7) qualified
56 members that are appointed by the City Council as required by Sec. 2-202,
57 and 2-203 of the City's Code of Ordinances, who shall serve terms based
58 on Sec. 2-204 of the Code of Ordinances. For the purposes of selecting an
59 auditor pursuant to Section 218.391, Florida Statutes, the City Council shall
60 appoint one City Councilmember to serve on the AAC in its capacity as the
61 Auditor Selection Committee. For purposes of any Auditor Selection
62 Committee meetings, the Councilmember appointed by the City Council
63 shall serve as the Chair of the AAC in its capacity as the City's Auditor
64 Selection Committee.
65

66 (b) At least thirty (30) days prior to the first meeting of the Auditor Selection
67 Committee pursuant to Section 218.391, Fla.Stat., as may be amended
68 from time to time, the City Council shall appoint, by a majority vote of the
69 council members present at any duly noticed council meeting, one of its
70 members to serve as the Chair of the City's Auditor Selection Committee.
71

72 (b) AAC Member Qualifications: The City Council shall ensure that all AAC
73 members have financial expertise (financial reporting, controls, and/or risk
74 management), are residents and electors of the City, serve without
75 compensation, remain financially independent from City operations, and do
76 not exceed eight continuous years of service.
77

78 (c) The Audit Advisory Committee shall perform all responsibilities relating
79 to annual audit monitoring, financial statement review, corrective action
80 plan oversight, and audit performance evaluation, together with the
81 following responsibilities:

- 82 (1) Financial Reporting: review information provided by City staff
83 related to major areas of financial risk, fraud protection
84 procedures, significant accounting policies and judgments;
85 reviewing the financial statements, ACFR, audit results,
86 adjustments, auditor-management disagreements, internal
87 control findings, and corrective action plans; preparing
88 evaluations of external auditors.
89 (2) Financial Performance Insights: Review City financial reports,
90 Treasurer's reports, investment policies, General Fund
91 reserves, and providing recommendations for efficiency and
92 financial sustainability.
93 (3) Internal Controls: Serve as a resource to City Management
94 regarding internal control systems, culture of controls, and
95 monitoring responses to auditor recommendations.
96 (4) External Auditors: assessing qualifications, independence,
97 performance, fee proposals, recommending
98 appointment/reappointment or termination, and meet with
99 auditors throughout the audit cycle.
100 (5) Regulatory Compliance: Inquire into processes that address
101 financial reporting laws, and regulatory examinations.

- (6) Risk Management: Provide insights on major operational and financial risks and City policies intended to manage them.
- (7) Reporting to City Council: making annual presentations regarding material weaknesses, audit results, and other matters requested by the Council.
- (8) Additional Duties: assist with tasks as may be assigned by City Council.

SECTION 4. Conflicts. All resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed and rescinded.

SECTION 5. Severability. If any section, sentence, phrase, word, or portion of this Resolution is determined to be invalid, unlawful, or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Resolution not otherwise determined to be invalid, unlawful, or unconstitutional.

SECTION 6. Effective Date. That this Resolution shall take effect immediately upon adoption.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MARCO ISLAND, this 5th day of January, 2026.

ATTEST:

CITY OF MARCO ISLAND, FLORIDA

By: _____

Joan Taylor, City Clerk

By: _____

Darrin Palumbo, Chair

Reviewed for legal sufficiency:

By: _____

Alan L. Gabriel, City Attorney