



FINANCE DEPARTMENT  
MEMO 26 -012

Date: February 18, 2026  
To: Mayor, Vice Mayor, and Commissioners  
From: Allison Feurtado, Finance Director *AF*  
Cc: Greg Harrison, City Manager  
Subject: Audit Committee

### **Purpose**

The purpose of this memorandum is to provide a constructive path forward to ensure timely compliance with Florida Statute §218.391 and to facilitate agreement among Commissioners regarding the formation and leadership of the Audit Committee.

### **Statutory Requirement**

Florida Statute §218.391 requires municipalities to establish and approve an audit committee responsible for overseeing the selection of the external auditor. The committee must be formally approved by the governing body and must participate in the procurement and evaluation process. The statute also makes clear that audit cost cannot be the determining factor in auditor selection.

The City cannot proceed with the auditor selection procurement process until the committee is properly constituted and approved.

### **Shared Governance Responsibility**

The February 10th City Commission vote reflects a difference of opinion over who should serve as the Committee's Chair. Importantly, this difference concerns leadership structure—not the underlying commitment to transparency, accountability, or statutory compliance. All Commissioners share the same fiduciary duty to ensure a lawful, timely, and credible audit process.

The statute permits elected officials to serve on the audit committee. At least one member of the governing body must serve as Chair. In the past, the Mayor has always served as Chair, since, under state law, the Mayor, along with myself as Chief Financial Officer, is required to sign the Annual Financial Report (AFR). The Chair's responsibility is to guide the Committee's process and ensure orderly oversight, not to conduct the audit.

## **Importance of Timely Action**

While reasonable differences exist regarding committee leadership, delay in approval presents practical risks:

- The City cannot move forward with selecting an external audit firm.
- The annual audit timeline may be jeopardized.
- Untimely completion of the audit may expose the City to increased state oversight.
- Failure to complete a timely audit will result in noncompliance with our bond covenants for outstanding debts, which will trigger a downgrade of the City's credit ratings by National Credit Rating Agencies.
- Failure to meet audit deadlines may result in the withholding of state-shared revenues.

These risks affect the City as a whole and are independent of which elected official serves as Chair.

## **Constructive Options for Consideration**

To support consensus and maintain forward progress, the Commission may consider the following:

1. **Confirm Committee Approval** as previously recommended, with the Mayor serving as Chair to ensure statutory compliance.
2. **Add the Vice Mayor as an Additional Voting Member.** As an alternative to achieving consensus and ensuring the audit procurement process proceeds without delay, the Commission may consider adding the Vice Mayor as a replacement for one of the other suggested voting committee members, who will serve as an alternate voting member of the committee. This option would allow the Vice Mayor to participate fully in deliberations and voting, which may help the Commission achieve majority approval for committee leadership and move forward with the procurement timeline. If the Vice Mayor is added, all meetings must comply with the Sunshine Protocol.
3. **Attend Selection Committee Meeting.** Audit committee meeting(s) are open to the public. Commissioners not serving on the committee may attend and observe proceedings, ensuring continued transparency and awareness of the process, but would be precluded from speaking during the proceedings.

## **Recommended Path Forward**

To maintain compliance and protect the City's financial interests, it is recommended that the Commission approve the Audit Committee without further delay.

The primary objective at this stage is to preserve the City's governance integrity and financial stability. Prompt action will demonstrate a unified commitment to statutory compliance, responsible oversight, and the protection of public resources.