

EXHIBIT A

ARTICLE IV. - FINANCE

DIVISION 4. ANNUAL EXTERNAL AUDIT POLICY

Sec. 2-183. Short title.

This division shall be known as and referred to as the "Annual External Audit Policy".

Sec. 2-183.1 Introduction.

The City Commission shall annually cause to be conducted an audit of the accounts and records of the city. The Finance Director or his or her designee shall prepare an annual comprehensive financial report in conformance with generally accepted accounting principles. The report shall be audited and an opinion rendered upon by an external independent Certified Public Accountant. Such audit shall be conducted in conformance with generally accepted auditing standards.

In addition to the independent annual audit, the commission may at any time, upon a supermajority vote, order a limited examination or special audit of any department, board, or agency of the city by the commission's external independent Certified Public Accountant. ~~Upon a supermajority vote, the commission may request a limited examination or special audit~~ under the following circumstances:

1. a circumstance or situation has arisen involving a breach of public trust;
2. an organization change (i.e., change of charter officer or finance director);
3. regulatory non-compliance;
4. operational inefficiencies; or
5. preparation for External Audit;

Sec. 2-183.2 Selection and retention of city auditor.

The audit shall be performed by an independent Certified Public Accountant, who shall be engaged for a term of no longer than five successive years, and who may not be engaged for an immediately successive term of any length following any five successive years, including any years served prior to October 1, 2028.

DIVISION 5. COLLECTION OF DELINQUENT BILLS OR COURT-RELATED FINANCIAL OBLIGATIONS

Sec. 2-184. Definitions.

For the purposes of this Chapter:

- a) Bill means a written statement for any moneys due or claimed to be due to the City.
- b) Court-related financial obligation means any fine, court cost, fee, civil penalty or other obligation imposed by the Circuit or County Court which remains unpaid at the time collection efforts are instituted.
- c) Responsible billing official means the person or persons designated by the Finance Director to handle the billing process.
- d) An undisputed bill or claim means a bill or claim held against parties who are solvent and responsible and where no controversy exists in regards to the validity and binding effect of the indebtedness.
- e) A disputed bill or claim means a bill or claim held against parties who are insolvent, or where controversy exists in regards to the validity and binding effect of the indebtedness or where the debtor is not able to pay the full amount and the City is not able to enforce full payment.
- f) Delinquent bill or claim means a bill or claim referred to the Finance Department for collection after completion of the billing process.
- g) Uncollectible account means a bill, claim or judgment that has been through the complete internal billing, collection process and/or settlement process and referral to a collection agency, the City Attorney and/or internal collection process and whose collection is not further justified or cost effective.
- h) Minor uncollectible account means a bill, claim or judgment under \$1,000 that has been through the complete billing and internal collection process and whose referral to a collection agency is not further justified or cost effective.
- i) Lien shall mean a nuisance abatement or demolition lien imposed by the City upon real property due to the costs incurred by the City to terminate a public nuisance as set forth and described in TO BE INSERTED Ordinance Code.

Sec. 2.184.1. Billing process.

It shall be the duty of each department rendering services for which money is due to the City or suffering damages which may be claimed by the City to furnish to the Finance Department promptly, with all due diligence and in accordance with the directives promulgated by the Finance Director, the relevant and material information for the preparation of the bill and to assist the Finance Department in the collection process. After receiving such information, the Finance Department shall prepare and issue a bill after the value of the services rendered by the City has been ascertained or shall refer to the Risk Management Program, the damage reports suffered as a consequence of a tort action involving property or other claims by the City. The Finance Director shall promulgate rules and procedures covering all aspects of the billing and collection process to include the preparation of the billing or damage report, the time and frequency of billing

and the collection process as well as any other financial activity related to the accounts receivable process. The Finance Department, within the time specified in the appropriate rule or procedure, refer to the Finance Director all disputed bills or claims, and in addition, all doubtful claims and any other bill not paid within the time specified.

Sec. 2.184.2 Collection agency contract.

The collection agency shall have authority to settle a disputed bill, \$1,000 or less, with the written approval of the Finance Director, provided the settlement is not for less than 50 percent of the original invoice. The collection agency shall comply with all applicable federal, State and local laws governing its behavior.

Sec. 2.184.3. Collection process.

After exhausting all internal collection resources, including, but not limited to, forfeiting of deposit, discontinuance of service when applicable and/or conducting an informal or formal hearing related to a disputed bill, the Finance Director shall refer delinquent bills to a collection agency under contract with the City, unless satisfactory collection arrangement has been made between the City and the debtor pursuant to the requirements of this Chapter. The collection agency shall not litigate or compromise any undisputed bills but shall refer all uncollected bills to the Finance Director for further processing. All damage reports suffered as a consequence of a tort action involving property or other claims by the City and referred to Risk Management shall be processed in the manner provided in this Chapter.

Sec. 2.184.3. Deposits, advance payments and discontinuance of service.

It is the policy of the City to require advance payments or deposits for all the City's services when applicable except when public policy dictates otherwise. The Finance Director, with the approval of the appropriate department director or designee shall promulgate procedures for the establishment of deposits, advance payment or discontinuance of service in order to insure the City is compensated for its services, to include any reasonable expense for reconnection or recommencement of service when applicable under Section 68-58. The establishment of these procedures shall not preclude the City from recovering by suit in a court having jurisdiction of such claim or from utilizing other lawful methods for collection of delinquent accounts.

Sec. 2.184.4. Collection and Settlement of Delinquent Bills, Claims, Judgments and Liens.

The Finance Director and City Attorney may take any action necessary on the referred delinquent bills, claims and judgments rendered in a court in favor of the City or an independent agency utilizing the services of an outside counsel engaged. The funds received as a result of the collection of a delinquent bill, claim or a judgment shall be paid into the Treasury, to credit the Delinquent Accounts Receivable Account to reduce the amount of the bill upon which the judgment is based, with any excess credited as miscellaneous receipts; a deficit shall be treated as an administrative write-off under Section 2.184.5. A delinquent bill, claim, judgment or compromise settlement may be

collected in one payment or levy or by multiple payments or levies. A disputed bill, claim or judgment in favor of the City, of which the debtor is not able to pay the full amount and the City is not able to enforce full payment, may be settled for less than the full amount under the following conditions:

(a) If the principal and interest amounts of the disputed claim, bill, judgment or lien is less than \$1,000, and the Finance Director deems in writing that it is in the best interest of the City to compromise and settle the disputed bill, or judgment in a determined amount, the disputed bill or judgment may be settled in such amount.

(b) If the principal and interest amounts of the disputed claim, bill, judgment or lien is \$1,000 or greater, but less than \$5,000, and the City Manager deems in writing that it is in the best interest of the City to compromise and settle the disputed bill, judgment or lien in a determined amount, the disputed bill, judgment or lien may be settled in such amount.

(c) If the principal and interest amounts of the disputed claim, bill, judgment or lien is \$5,000 or greater the City Commission shall have authority to settle the delinquent bill, judgment or lien upon written recommendation from the City Attorney for a determined amount, and approval of the Finance Director.

(d) As part of every settlement of a dispute entered into by the City, the person executing settlement documents on behalf of the City shall certify, on at least one settlement document, the following:

"The undersigned representative of the City of Deltona is authorized pursuant to Chapter 2, Section 184, City of Deltona Code of Ordinance, to settle on terms described in this document."

The Finance Director shall prepare an annual report of all settled claims written off, a copy of which shall be provided to the City Commission.

Sec. 2.184.5. Write-off of uncollectible accounts.

Disputed bills and judgments shall be written-off as uncollectible under the following conditions:

(a) The Finance Director shall be authorized to write off and treat as uncollectible those minor uncollectible accounts under \$1,000 that have been through the billing process, internal collection process, and the referral to a collection agency, when applicable, is not justified as cost effective.

(b) The City Manager shall, with the written justification of the Finance Director, shall be authorized to write off delinquent bills or judgments \$1,000 or greater but is less than \$5,000 that have been through the billing process, the internal collection process, and have been referred to a collection agency, when applicable, and it is determined the collection effort is no longer justified.

(c) When the amount of the delinquent bill or judgment is \$5,000 or greater, the City Commission shall approve all write-offs.

The Finance Director shall prepare an annual report of all claims written off a copy of which shall be provided to the City Commission.

Sec. 2.184.6. Services fees for dishonored checks.

The Finance Director shall adopt the service fee imposed under F.S. §§ 125.0105, 166.251, for the collection of a dishonored check, draft or other order for the payment of money owed to the City.

Sec. 2-185 - 187. - Reserved