



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Human Resources**

**Meeting Date: May 6, 2024**

Report #:2404-2918

### **TITLE**

Adoption of a Resolution to Appoint Katherine Murdock of Baker Tilly US, LLP as City Auditor;  
CEQA status – Not a Project

### **RECOMMENDATION**

The Council Appointed Officers Committee recommends the City Council appoint Katherine Murdock, Certified Internal Auditor (CIA), Certified Government Auditing Professional (CGAP) of Baker Tilly US, LLP, as Palo Alto's City Auditor

### **BACKGROUND**

The Palo Alto Charter provides that the City Council appoint an Auditor who serves at the Council's will. The Charter describes the Auditor's key duties. (See Charter, Art. IV, sections 1 and 12).

The City entered a contract with Baker Tilly US, LLP, as Palo Alto's City Auditor, effective October 1, 2020. In May of 2022, the Council Appointed Officers (CAO) Committee recommended and the Council approved an amendment to that contract to extend the term to June 30, 2025. Under that contract, the City has appointed several individuals from Baker Tilly to perform the duties of the City Auditor. In February 2024, Baker Tilly informed the City that the previous City Auditor vacated the appointed position.

### **ANALYSIS**

On March 11, 2024, the City Council discussed the interview process for the selection of a City Auditor. After discussion, the City Council directed staff and Baker Tilly to coordinate interviews for the Council Appointed Officers (CAO) Committee to interview the qualified candidates and narrow the selection of the candidates for Council to interview up to three candidates. After completing the interview process, Katherine Murdock has been selected for the position of City Auditor as provided in the Charter, on an ongoing basis.

Katherine Murdock is a public sector services manager with more than 20 years of experience

serving in auditor and risk analyst roles for municipal governments, including Austin Energy, the City of Austin's Office of the City Auditor and the City of Sunnyvale. Her experience includes enterprise risk management, internal audits, and performance audits for local governments and municipal utilities. Other specific experience includes fraud mitigation, contract compliance, financial and business process audits, and gap analyses to provide recommendations for improved operations.

The appointment of Katherine Murdock as City Auditor will begin immediately and end on the expiration of the agreement for outsourced internal auditing services between the City of Palo Alto and Baker Tilly US, LLP, including any amendment, extension, or termination approved by the Council, or, consistent with at-will service, at the Council's discretion at an earlier date as determined by Council.

#### **FISCAL/RESOURCE IMPACT**

There is no resource impact associated with this appointment. The Baker Tilly contract is executed and budgeted in the FY 2024 Adopted Budget.

#### **STAKEHOLDER ENGAGEMENT**

The interview process for this City Auditor selection was previously discussed in public meetings, and City Council directed this appointment.

#### **ENVIRONMENTAL REVIEW**

Council action on this item is not a project as defined by CEQA because appointing a City Auditor is a continuing administrative activity. CEQA Guidelines section 15378(b)(2).

#### **ATTACHMENTS**

Attachment A: Resolution Appointing Katherine Murdock as Palo Alto City Auditor

#### **APPROVED BY:**

Sandra Blanch, Human Resources Director