

pay, in whole or in part, any claim on the ground that it is fraudulent or unlawful and in that case he shall file a written statement of his reasons for the refusal. [Acts of 1909, c. 486, s. 23]

SECTION 54. *Statement of Unexpended Balances to be Furnished.* The auditor shall furnish monthly to each head of department a statement of the unexpended balance of the appropriation for that department, and he shall furnish to the mayor and city council a statement of the unexpended balances of all the departments. He shall furnish quarterly to the city council an itemized statement showing the amount of money expended by the mayor and the city council for contingent expenses. [Acts of 1909, c. 486, s. 25]

SECTION 55. *Appointment of Audit Committee.* There shall be appointed by the mayor subject to confirmation by the city council, an audit committee of five members, all residents of the city of Boston, whose members shall serve for five years ... . Members shall serve without compensation but may be reimbursed for expenses necessarily incurred, and shall be deemed special municipal employees for the purposes of chapter two hundred and sixty-eight A of the General Laws.

The city shall retain the services of an independent, certified public accounting firm which shall annually audit the accounts of the city. The audit committee shall monitor the progress of such audit and shall meet with the accounting firm at least quarterly. The said committee shall review the recommendations of the firm and shall present to the mayor and city council such recommendations as it may have. [Acts of 1982, c. 190, s. 14]

## **FISCAL RESPONSIBILITIES**

SECTION 56. *Establishment of Reserve Fund.* To provide for extraordinary and unforeseen expenditures, the city of Boston shall, prior to the date when the tax rate for a fiscal year is fixed, include in the appropriations for such fiscal year as a segregated reserve fund a sum not less than two and one-half per cent of the preceding year's appropriations for city and county departments, excepting the school department; provided, however, that the amount required to be appropriated for such reserve fund in any fiscal year may be reduced by the amount, if any, remaining in the reserve fund established for the preceding fiscal year after all transfers have been made therefrom as hereinafter authorized and such remaining amount shall be retained in the reserve fund provided for such fiscal year. The mayor, with the approval of the city council, may make direct drafts or transfers against such fund before the close of the fiscal year, provided that no such drafts or transfers may be made before June first in any fiscal year.

Each transfer recommended by the mayor to the city council shall be accompanied by written documentation detailing the amount of such transfer and an explanation of the reason for the transfer. If the reserve fund for a fiscal year beginning on or after July first, nineteen hundred and eighty-six is exhausted through transfer and the city incurs an appropriation or revenue deficit in such fiscal year, the reserve fund appropriation requirement shall increase by fifty per cent for the fiscal year following such fiscal year ... .

Notwithstanding any general or special law to the contrary, in the city of Boston, the segregated reserve fund established by this section shall be deemed to satisfy the requirement of section fourteen of chapter sixty-four J of the General Laws that a city accepting said chapter sixty-four J shall establish a