

Exhibit B

Chapter 2.15. COUNTY AUDIT COMMITTEE

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2.15.001 Purpose.

The Board of County Commissioners have formed the Audit Committee to advise the Board on fulfilling its responsibilities for financial reporting, internal controls, and compliance with laws, regulations, and ethics within the County. The Audit Committee provides oversight to auditing (external and internal) for the County.

The audit committee receives and reviews County information on:

- financial condition;
- the accuracy of financial record keeping;
- compliance with applicable laws, policies, guidelines, and procedures; and
- efficiency and effectiveness of operations.

The Audit Committee strengthens the independence of auditing by serving as a transparent third-party review body.

(Ord. 2018-007 §2)

2.15.010. Authority.

A. The Board of County Commissioners (“Board”) hereby establishes the Audit Committee as an advisory committee. The committee shall advise the Board and County Administrator on significant audit matters including, but not limited to:

1. The selection, compensation, and removal of external auditors hired to audit the financial statements for the County and its related entities;
2. Consultation with the County Administrator or Board regarding the appointment or dismissal of the County Internal Auditor should include a consultation with a majority of the public members of the audit committee;
3. Increases and decreases to the requested budget for the internal audit program; and
4. The work plan for internal audits performed under DCC 2.14.040.

(Ord. 2013-004 §1, 2013; Ord. 2008-002 §1, 2008)

2.15.020. Composition.

- A. The audit committee shall be comprised of not less than seven or more than nine members appointed by the Board.
- B. Each member shall be appointed to serve a term of two years. Upon initial formation of the committee, the Board may appoint any member to a shorter term. A member may be appointed to more than one term. The Board may remove a member of the committee at any time. In the event of a vacancy on the committee the Board shall, as soon as practicable, appoint a person to serve the unexpired portion of the former member's term.
- C. The committee shall consist of one (1) member county commissioner, two (2) county department head members, and four (4) to six (6) public members. The County Administrator shall be an *ex-officio* nonvoting member.
- D. A public member shall be a registered voter within Deschutes County. The chair of the committee shall be a public member and shall be selected by a majority of the public members. The chair shall serve a one-year term and may be selected for additional terms. If the public members cannot decide upon a chair, the larger committee shall decide. The chair shall preside over meetings, as well as provide input on topics for the agenda.

(Ord. 2009-011 §1, 2009; Ord. 2008-002 §1, 2008)

Exhibit B

2.15.030 Meetings

- A. The audit committee shall meet as the committee deems necessary. A quorum shall constitute a majority of the members appointed. Vacant positions shall not be considered in determining whether a quorum exists. Minutes shall be prepared in accordance with the Oregon Public Meeting Law. The committee may require certain County management attend meetings to address reports being discussed. Auditee departments will be invited to meetings where their internal audit report is discussed.
- B. A department head audit committee member shall not vote on an issue relating to an audit directly pertaining to his or her department. If there is any question as to whether audit committee members should recuse themselves from a vote, the committee should vote to determine whether the member should recuse himself or herself.
- C. The County Internal Auditor shall facilitate and coordinate such meetings, as well as provide ancillary support to the committee, as time permits.

(Ord. 2009-011 §1, 2009; Ord. 2008-002 §1, 2008)

2.15.040. Responsibilities. Responsibilities of the Audit Committee include:

- A. Overseeing the independent audit of the County's financial statements, including:
 - 1. Overseeing the selection, renewal or removal of the independent external auditor by making a recommendation to the Board for final approval;
 - 2. Meeting with the external auditors during planning of the audit, presentation of the audited financial statements, and discussion of the letter to management on recommendations; and
 - 3. Overseeing the resolution of audit findings in, areas such as internal control, legal and regulatory compliance, and ethics.
- B. The committee shall work to assure coordination between the internal and external auditors, management, the County Administrator and Board.
- C. The audit committee shall ensure the Office of County internal audit performs its function. The committee shall:
 - 1. Review the internal audit ordinance (DCC 2.14) at least every other year;
 - 2. Review proposed internal audit work plans and make recommendations concerning internal audit projects;
 - 3. Review the budget and staffing levels of the Office of County Internal Audit (DCC 2.14.050);
 - 4. Review internal audit reports and other communications developed for the County;
 - 5. Review and provide input on Office of County Internal Audit goals; and
 - 6. Review any quality assurance reviews created pursuant to DCC 2.14.090.
 - 7. Discuss and provide input on the County Internal Auditor's performance review each year.
- D. The committee shall make appropriate recommendations concerning the Office of County Internal Audit based upon the reviews that it conducts pursuant to subsection C of this section.
- E. The committee shall make an annual report to the Board summarizing the committee's activities and recommendations. The report may be delivered at an audit committee meeting attended by the Board or may be scheduled for a regularly scheduled meeting of the Board.
- F. The committee shall perform other activities related to this chapter as requested by the Board.

(Ord. 2013-004 §1, 2013; Ord. 2011-004 §1, 2011; Ord. 2008-002 §1, 2008, Ord. 2022-008 §2)