

Deschutes County Audit Committee By-Laws

BY-LAWS

Article I Name and Address

The name of this body shall be the Deschutes County Audit Committee (Committee). The permanent address for the Committee will be 1300 NW Wall St. Bend, Oregon 97703. The Committee shall carry out its responsibilities consistent with Deschutes County Code 2.15.

Article II Purpose

Consistent with DCC 2.15.001, the Committee is established 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:

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

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

Article III Authority

Consistent with DCC 2.15.010, the Audit Committee is an advisory committee. The Committee shall advise the Board and County Administrator on significant audit matters including, but not limited to:

- A. The selection, compensation, and removal of external auditors hired to audit the financial statements for the County and its related entities;
- B. 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;

- C. Increases and decreases to the requested budget for the internal audit program; and
- D. The work plan for internal audits performed under DCC 2.14.040.

Article IV Responsibilities

Consistent with DCC 2.15.040, the Audit Committee is responsible for:

- 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. Working to assure coordination between the internal and external auditors, management, the County Administrator and Board.
- C. Ensuring 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;
 - 6. Review any quality assurance reviews created pursuant to DCC 2.14.090; and
 - 7. Perform the County Internal Auditor's performance review each year.
- D. Making appropriate recommendations concerning the Office of County Internal Audit based upon the reviews that it conducts pursuant to subsection C of this section.

- E. Making 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. Performing other activities related to this chapter as requested by the Board.

Article V Meetings

Section I. Meeting Schedule:

Consistent with DCC 2.15.030, the Audit Committee shall meet as the Committee deems necessary.

All Committee meetings shall be open to the public. Public meeting law requires public notice of the meeting at least 24 hours before the meeting. Meetings will be announced on the Deschutes County public meeting web page and Committee members will receive email announcements. The goal is to have meeting materials posted five business days before scheduled meetings.

From time to time, the Committee may meet in Executive Session upon motion by any member of the Committee for a reason outlined in ORS 192.660. When an Executive Session is called, the Chair will announce the reason for the Executive Session and all non-Committee members will be excused. Upon close of the Executive Session the public will be invited back into the room.

Section II Quorum:

Consistent with DCC 2.15.030, a quorum shall constitute a majority of the members appointed. Vacant positions shall not be considered in determining whether a quorum exists.

Section III Minutes:

Consistent with DCC 2.15.030, minutes shall be prepared in accordance with the Oregon Public Meeting Law.

Section IV. Voting:

Each regular Committee member shall have one vote. Consistent with DCC 2.15.030, a department head Audit Committee member shall not vote on an issue relating to an audit directly pertaining to their 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 themselves.

Article VI Membership

Section I. Composition:

Consistent with DCC 2.15.020, the Audit Committee shall be comprised of not less than seven or more than nine members appointed by the Board.

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.

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. An elected official who is not a department head or county commissioner, for example the treasurer, may occupy one of the department head positions.

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.

Section II. Nominations:

When there are vacancies, the Committee may make nominations for membership to the Deschutes County Board of Commissioners for consideration and appointment.

Section III. Attendance:

Committee members shall endeavor to attend all meetings. Two (2) consecutive unexcused absences, without prior notice to the Chair, shall constitute grounds for removal.

Section V. Removal:

Any member may be removed whenever the best interests of the Committee are not served.

Grounds for removal include without limitation, taking a position that is in conflict with

the mission of the Committee or having two (2) consecutive absences from Committee meetings without prior notification to the Chair.

The member whose removal is placed in issue shall be given prior notice of his/her proposed removal and a reasonable opportunity to appear and be heard at a meeting of the Committee. A member may be removed pursuant to this section by a two-thirds majority vote of the total number of members then serving on the Committee, or by majority vote of the Board of County Commissioners.

Article VII Officers

Section I. Officers:

The Committee shall elect a Chairperson and Vice-Chairperson each to serve a one-year term. In Addition, The Vice-Chairperson shall be eligible for election to the Chair after Chairperson's term ends or they resign. If no other candidates come forward expressing interest in the Chair position, the Vice-Chair may become Chair upon the consent of the Committee. In the event of a Chair resignation, the Vice-Chair may assume the Chair position upon consent of the Committee and finish the resigning Chair's term of office or request a full two-year term.

Section II. Elections:

Elections of new officers shall take place prior to the end of the calendar year with the new term beginning prior to the first regular meeting of the year in February. Terms will begin and end January 1, unless the election takes place after such date, in which case the term will begin immediately or when feasible. In the event that nominations for Officer positions are not received by the scheduled election, a six (6) month extension will be offered to the current officer. In the event that only one nominee is available for an Officer position, the Committee may elect that nominee through consensus.

Section III. Duties:

Duties of the officers are as follows:

A. Chair:

1. Shall assist the Internal Auditor in preparing the agenda.
2. Shall conduct the meeting in accordance with parliamentary procedure and comply with the rules and regulations of County and State with regard to public meetings.
3. May call special meetings of the Committee as are necessary.

4. Shall serve as an Ex-Officio member of all subcommittees.
5. Shall sign off on advocacy position letters and present to the Board of County Commissioners when needed.

B. Vice-Chair:

1. Shall assist the Chair as needed.
2. Shall serve as Chairperson during such time as the Chair is absent or unable to serve.
3. Shall sign off on advocacy position letters and present to the Board of County Commissioners when needed.

Article VIII Subcommittees

Subcommittees may be established by the Committee as needed. Only members of the Committee may serve on subcommittees. Potential subcommittee tasks could include leading the Internal Auditor's annual performance review and participating in the selection of contract external auditors. Once a subcommittee has completed all assigned tasks and reported to the Committee, it shall expire.

Article IX Conflict of Interest

Any member's business or personal relationship that may affect impartiality must be disclosed to the Committee.

Department head members will recuse themselves from votes involving their departments, including the adoption of the audit work schedule.

Article X Parliamentary Authority

Meetings shall be conducted using the general guidelines of Robert's Rules of Order.

Article XI Adoption, Amendment

The Committee shall review, revise, and recommend approval and adoption of these By-Laws. After Committee approval, the By-Laws shall be delivered to the Board of County Commissioners for final approval and formal adoption.

APPROVED BY ### DATE.