

Commissioner Odom moved that the following Resolution be adopted:

BEFORE THE BOARD OF COUNTY COMMISSIONERS

OF THE COUNTY OF JEFFERSON

STATE OF COLORADO

RESOLUTION NO. CC12-059

RE: County Administrator - Policy Manual Part 2, Chapter 2, Section 13
Regarding the Audit Committee

WHEREAS, the Jefferson County Board of County Commissioners requested the formal implementation of a countywide audit committee to assist county management and the county's contracted external auditors reporting directly to the Board of County Commissioners, and

WHEREAS, the current Board of County Commissioners feels that an Audit Committee directed to specifically monitor the financial oversight of the organization could provide additional expertise, and

WHEREAS, the Administrative Services Department developed a new structure and formation of a countywide audit committee to provide additional financial oversight of the organization, in coordination with the executive management team and the Board of County Commissioners, and

WHEREAS, the Board of County Commissioners previously discussed the formation of the Audit Committee at its briefing on January 31, 2012.

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners of Jefferson County creates an Audit Committee pursuant to the Policy attached hereto. Commissioner Griffin seconded the adoption of the foregoing Resolution. The roll having been called, the vote was as follows:

Commissioner John Odom	Aye
Commissioner Faye Griffin	Aye
Commissioner Donald Rosier, Chairman	Aye

The Resolution was adopted by unanimous vote of the Board of County Commissioners of the County of Jefferson, State of Colorado.

Dated: February 14, 2012

Title: Administrative Policy Audit Committee	Policy No. Part 2, Board Administration Chapter 2, Establishment of Appointed Boards Section 13
	Effective Date February 14, 2012
Policy Custodian Administrative Services Department	Adoption/Revision Date February 14, 2012

Adopting Resolution(s): CC12-059

References (Statutes /Resos/Policies):

Purpose: To establish the Audit Committee, specify its membership and terms, and define its responsibilities.

Policy: Audit Committee

A. Establishment

The purpose of the Committee is to work in parallel with the executive leadership in the oversight of the organization in the following areas to:

- Set and convey the tone of governance and accountability;
- Ensure the integrity of the County's financial statements;
- Review and ensure that internal controls are in place in the financial reporting processes
- Recommend to the Board of County Commissioners an external audit firm to provide services to the County and assess its performance, independence and qualifications.
- Review compliance with legal and regulatory requirements.
- Review the Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*, and programmatic audit results
- Assist management in the correction and implementation of the management letter comments, when deemed pertinent, as provided by the County's external audit firm.
- Report to the Board of County Commissioners annually on the financial and operational health of the County.

B. Responsibilities

1. The Board of County Commissioners shall work with the audit committee to develop a work plan for the upcoming fiscal year.
2. The Administrative Services Department will provide staff resources to the Committee in support of completing the BCC's work plan. These duties may include organizing meeting logistics, taking minutes and disseminating them to the committee members, and providing internal research, as deemed necessary. If the Committee requires audit services beyond the ability of the internal staff resources provided, it may request the BCC to engage an outside audit firm at the expense of the BCC.
3. It is not the responsibility of the audit committee to plan or conduct routine audits or to be the primary determinant that the County's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations. These tasks are the responsibility of management and the independent auditing firm; whereas the audit committee has the oversight responsibility to see that the objective is achieved. Therefore, duties are outlined below;

Audit Committee	County Management
Reviews the financial statements of the County and other official public financial information	Oversees the preparation of the operating and capital budgets as well as the financial statements. Management ensures that all budget and interim financial statements are prepared.
	Oversees the administration, collection and disbursement of the financial resources of the County as well as the policies and procedures related to the financial resources.
Provides oversight of the County internal financial control systems, including overseeing compliance by management with applicable policies and procedures and risk management	Advises the Board of County Commissioners with respect to making significant financial decisions, as determined by policy.
Oversees the annual external audit process, including the recommended engagement of the external audit firm, receives all reports and management letters from any outside independent CPA/Audit firms.	Works with the external audit firm. Prepares and submits information as requested to complete the audit in a timely, open and transparent manner.
Reviews the audit in accordance with OMB Circular A-133 and recommends for approval, signature, and submission of filing the audit with the single audit clearinghouse and similar entities by the appropriate officer. The audit committee also transmits the audited information to the executive management for its review prior to signing and submission. The audit committee engages and interacts with the auditors retained by the County.	Oversees the preparation and implementation of the County's financial policies, including conflicts of interest, document retention, whistleblower claims, review of compensation, investments, etc.

3. Meetings

a. Regular Meetings

Regular meetings of the Committee shall be held a minimum of four times a year, or more frequently as requested by a majority of the committee members.

b. Special Meetings

Special meetings may be called by the Chair at the request of a Quorum of the Committee.

c. Notice of Meetings

(1) Notice of Regular Meetings shall be in writing and shall be sent to members at least ten (10) days prior to the day of the meeting.

(2) Notice of Special Meetings shall be given in writing (3) days prior to the day of the meeting.

(3) All notices shall contain the following information: (1) the date, time, and place of the meeting; and (2) the agenda for said regular meeting, or the purpose or purposes for which a special meeting is called.

(4) The Chair shall submit the agenda to the designated county representative at least ten (10) days before the regularly scheduled meeting.

d. Meeting Location

All the meetings of the Committee shall be held in the County Administration building.

e. Bylaws

(1) The Board may adopt bylaws governing any aspect of its membership, meetings and actions not set forth herein or governed by Federal, State, or other county policy or regulation.

(2) Bylaws may be amended at any Regular Meeting by a Quorum.

6. Remuneration

Members of the Committee shall not be compensated.

7. Quorum

More than fifty percent of the appointed members shall constitute a Quorum.

C. Membership

1. The Committee shall be comprised of five members. County elected officials, appointed officials, or county staff may not be a member of the Committee. Committee members will be chosen based on expertise in the following areas:

a. An understanding of generally accepted accounting principles, including those relevant standards for local and government accounting and financial reporting issued by the Governmental Accounting Standards Board; an understanding of financial statements, general accepted auditing standards. Working knowledge of the enabling laws and regulations that the government operates within would be valuable.

b. Ability to assess the general application of the foregoing principles and standards in connection with the accounting for estimates accruals, external restrictions and reserves.

c. Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the organization's financial operations.

d. An understanding of internal controls and procedures for financial reporting

e. Basic understanding of an audit committee function and responsibility to the organization.

f. A basic understanding of the operational environment and structure of a statutorily-defined county government in Colorado.

2. Members serve at the pleasure of the Board of County Commissioners, and may be removed with or without cause, at the discretion of the Board of County Commissioners.

3. Members may be removed by a Quorum of the Committee at any Regular Meeting because of three consecutive unexcused absences.

4. Unless their term is earlier terminated as provided above or the member vacates the position, the Board of County Commissioners intends an appointment of a member to be for a two (2) year term. The Board of County Commissioners intends to re-appoint a member to the committee for a maximum of four consecutive two-year terms (8 years).
5. Vacancies
Vacancies shall be filled by appointment by the Board of County Commissioners.
6. Conflict of Interest
No member shall vote on any issue on which the member has a direct or indirect financial interest.