

|  |  |
|--|--|
| <b>Title:</b> Administrative Policy<br>Audit Committee                   | <b>Policy No.</b><br>Part 2, Board Administration<br>Chapter 2, Establishment of Appointed<br>Boards<br>Section 13 |
|  | <b>Effective Date</b><br>April 30, 2013  |
| <b>Policy Custodian</b><br>Finance and Information Technology Department | <b>Adoption/Revision Date</b><br>April 30, 2013  |

**Adopting Resolution(s):** CC13-169

**References (Statutes /Resos/Policies):** CC12-059

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

**Policy:** Audit Committee

A. Establishment

The purpose of the Audit Committee (Committee) is to assist the county in its evaluation of internal controls, reporting practices, and audit findings.

B. Responsibilities

1. The Committee shall make recommendations to the Board of County Commissioners (BCC) regarding a work plan for the upcoming fiscal year.
2. The Finance and Information Technology (FIT) Department will provide staff resources to the Committee in support of completing the work plan. These duties may include organizing meeting logistics, taking minutes and disseminating them to the committee members and the BCC, and providing internal research, as deemed necessary. If the Committee requires audit or other related services beyond the ability of the internal staff resources provided, it may request the BCC to engage an outside consultant at the expense of the BCC.
3. It is the responsibility of the County to engage an independent audit firm to conduct routine audits. It is the responsibility of the County and the independent auditor 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.
4. Responsibilities of the audit committee could or may include:
  - Make recommendations in the selection of the independent audit firm.
  - Review the independent auditors' proposed audit scope; make recommendations to the BCC regarding the scope.

- Review the County's audited financial statements (presented by the independent auditors).
- Review the Single Audit report (presented by the independent auditors).
- Review other relevant official public financial information as needed.
- Review significant accounting and reporting issues encountered during the annual external audit and understand any impact on the financial statements.
- Review the independent auditors' reports and communications.
- Review with the independent auditors any issues encountered with management and staff during the audit.
- Assess performance of the independent auditors and provide feedback to the FIT Director, Accounting Director, or BCC as necessary.
- Review the comprehensive framework of the internal control structure and the County's Policies and Procedures.
- Identify areas of risk and recommend areas for further review and audit of internal controls, policies and procedures.
- Provide feedback on any significant issues or concerns that are identified while performing these responsibilities.
- Advise the BCC, the FIT Director and the Accounting Director on any significant issues brought to the Committee by any auditor or consultant.
- Advise the FIT Director or Accounting Director on any insignificant issues brought to the Committee by any auditor or consultant.

## 5. 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 or by the Chair.

### b. Special Meetings

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

### c. Notice of Meetings

(1) Notice of Regular Meetings shall be sent or e-mailed to members and the BCC at least ten (10) calendar days prior to the day of the meeting.

(2) Notice of Special Meetings shall be sent or e-mailed to members and the BCC at least (3) calendar 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 FIT Director or Accounting Director at least ten (10) calendar days before the regularly scheduled meeting.

(5) Notices, including agendas of regular and special meetings, shall be posted at:

Glass Cabinet on the Outside Wall of Hearing Room 1  
Jefferson County Courts and Administration Building  
100 Jefferson County Parkway  
Golden, CO 80419

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) Amendments to the bylaws may be determined at any Regular Meeting by a Quorum of the members present at the meeting.

6. Remuneration

Members of the Committee shall not be compensated.

7. Quorum

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, and generally 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 two 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 ending March 31st. 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). Note: For the initial establishment of the Committee, two members will have one-year terms and three members will have two-year terms in order to stagger the term end dates. A member may continue to serve after a term has expired while a new appointment is pending.
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.