Section 1200 – Audit Committee

Purpose

The Committee is hereby created to promote and foster improvement in county government through financial, performance, and compliance audits throughout Davis County Government. Furthermore the committee is created to assist management with the implementation and maintenance of a comprehensive framework for internal control.

Membership

The Committee shall consist of three (3) permanent members and two (2) rotating members. Each Committee member shall have one vote in any action taken. A Davis County Commissioner shall be the Chair of the Committee.

The permanent members shall consist of the three (3) County Commissioners. Rotating members shall be appointed at the discretion of the Commission and serve for a two-year term. Rotating members shall be residents of Davis County with consideration of appointment based upon knowledge and understanding of county government operations, financial reporting, internal controls, financial statement audits and management/operational audits. At the Commission's discretion, rotating members maybe re-appointed for successive or additional terms.

It is the intent of the Commission that individual Committee members regularly attend meetings and fulfill the responsibilities necessary for effective participation on the Committee including the duties and responsibilities. Removal of a rotating Committee member shall be made at the Committee Chair's discretion. Removal by the Chair may be for any reason including, but not limited to: (a) an act which brings disrepute to the County or to the Audit Committee; (b) change of residency of Committee member (c) failure to regularly attend and participate in Committee meetings; and (d) disclosure of confidential information of the Committee other than to the Committee members.

Duties of the Audit Committee

The duties and responsibilities of the Davis County Audit Committee shall include the following:

External Audit Focus

- Provide recommendations regarding the selection of the external auditor
- Meet with the external auditor prior to commencement of the audit to, among other things, review the engagement letter.
- Review and discuss with the external auditor any risk assessment of Davis County's fiscal operations developed as part of the auditor's responsibilities under governmental auditing standards for a financial statement audit and federal single audit standards, if applicable.
- Receive and review the draft annual audit report and accompanying draft management letter, including the external auditor's assessment of the entity's system of internal controls, and, working directly with the external auditor, assist the governing body in interpreting such documents.
- Make a recommendation to the governing body on accepting the annual audit report.
- Review every corrective action plan developed by Davis County management and assist the governing body in the implementation of such plans.

Internal Audit Focus

- Assist in the oversight of the internal audit function, including reviewing the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested,

and reviewing the results of internal audit activities.

- Review significant recommendations and findings of the Davis County Auditor.
- Review management's implementation of the Davis County Auditor internal audit recommendations.
- Request the evaluation of the performance of the internal audit function.
- Review Fraud and Ethics Hotline complaints received and investigated by the Auditor and Human Resource Director.
- Review and recommend implementation of countywide financial policy and procedure.

Administrative Matters

- Hold regularly scheduled meetings.
- Review and revise the Audit Committee Charter, as necessary.

Internal Control Review

The Committee with a minimum of two permanent members will on an annual basis review County internal control structure per Utah Code 17-36-45.

Duties of County Elected Officials

In no way shall the creation of the Committee impede the duties/responsibilities of other County elected officials in fulfilling the duties of their respective positions as outlined in State Code 17-19a.

Meetings of the Committee

The Committee shall have no fewer than four regular meetings during a calendar year with a quorum present, for the purpose of discussing or acting upon a matter or matters. For this purpose a quorum consists of that number of Committee members that represents more than fifty percent (50%) of the total number of Committee members appointed at that time. A member of the Committee or other person designated by the Committee shall keep records and minutes of Committee proceedings. Special meetings of the Committee may be called at the request of the Chair.

An agenda of each meeting should be clearly determined in advance and the Audit Committee should receive supporting documents in advance for reasonable review and consideration. Meetings are to be publicly noticed in accordance with Utah Code 52-4: Open Public Meetings Act and may convene a closed session for reasons permitted under the code.

The Audit Committee shall create meeting minutes which include the meeting:

1) Agenda
2) Time, date, and location
3) Attendance
4) Items of report to the Committee
5) Action Items

Confidentiality

Because the work of the Committee is deemed to be administrative and confidential, until such work and/or reports are complete, Committee members shall keep confidential all discussions and draft reports. Committee members designated by elected officials to represent them on the Committee may report to those officials with the understanding that they are bound by that same confidentiality requirement.