

**COUNTY OF YOLO**

**AUDIT COMMITTEE**  
**CHARTER**



**APPROVED BY:**  
**BOARD OF SUPERVISORS**  
**JUNE 7, 2011**

**I. INTRODUCTION**

The government of Yolo County is publicly accountable for the proper utilization of resources entrusted to it by the taxpayers. This fiscal accountability is demonstrated through strong internal control, budgetary compliance, accurate and timely financial reporting, regular auditing and follow-up.

**II. PURPOSE**

On April 13, 2010, the Board of Supervisors considered adding audit committee responsibilities to the existing Finance and Investment Committee. The purpose was for the Board to provide leadership in audit matters to further demonstrate good stewardship of public resources.

The specific purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for the integrity of (1) the County's financial statements, (2) the annual independent audit and (3) the system of internal control and the internal audit function.

**III. AUTHORITY**

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is specifically empowered to appoint and oversee the work of the public accounting firm employed by the County to perform the annual audit, and to resolve disagreements between management and the auditing firm regarding any audit findings or recommendations.

**IV. COMPOSITION**

The Audit Committee consists of two members of the Board of Supervisors and one member of the public. The public member is recommended by the two Board members and is approved by the Board of Supervisors for a two-year term. Each committee member is to be both independent and financially literate. At least one member shall have financial expertise. The County Administrator and the County Auditor-Controller, or their designees, participate in an advisory capacity.

Independent in this context means devoid of any potential conflict of interest, such as described in, but not limited to, the following example: a member has or had individual responsibility or influence over the auditee (e.g. a member who is a former department head or a member who holds positions in the board or management of an organization which was audited).

**V. MEETINGS**

The committee shall meet at least four times each fiscal year. The committee is to meet twice annually with the independent auditors, and at other times when considered appropriate. Meeting agendas will be prepared and provided in advance

to members, along with appropriate briefing materials. Minutes will be prepared.

The meetings of the audit committee shall be open and subject to the Ralph M. Brown Act.

## **VI. RESPONSIBILITIES**

The Committee is charged with the following responsibilities:

### ***County Financial Statements and Audits***

1. Review significant accounting and financial reporting issues that affect the County financial statements, including recent state laws, professional and regulatory pronouncements.
2. Review the effectiveness of the County financial reporting system.
3. Select and approve the independent audit firm to conduct the annual financial audit and Single Audit, in accordance with state laws and auditing standards.
4. Approve the scope and timing of the annual financial audit and Single Audit.
5. Meet with the independent auditors at their request.
6. Review the results of the annual financial audit and Single Audit.
7. Monitor the resolution of audit findings and recommendations; follow up directly with department heads as necessary.

### ***Other External Audits***

8. Review the results and adequacy of follow up on audits conducted by any external auditors or regulatory auditors on any County programs or departments.

### ***Internal Control and Internal Auditing***

9. Review the results of the countywide risk assessment and consider the effectiveness of the internal control system to mitigate the identified risks.
10. Review the scope and effectiveness of internal audit activity in concert with the County Auditor-Controller.
11. Monitor the resolution of internal audit findings and recommendations; follow up directly with department head as necessary.

### ***Reporting to the Board of Supervisors***

12. Report to the Board of Supervisors regularly about the Committee's activities and actions.