

Office of the County Internal Auditor

Audit Committee Survey Results



Audit Committee Meeting | December 8, 2023

Why Survey



**Ensure a meaningful
experience for
committee
members**

**Improve committee
effectiveness**



Contents of Survey

46 questions



Process and procedures



Understanding risks



Composition and quality



Communication



Oversight of financial reporting



Oversight of audit functions

Strongly
Disagree

Disagree

Neutral

Agree

Strongly
Agree

1

2

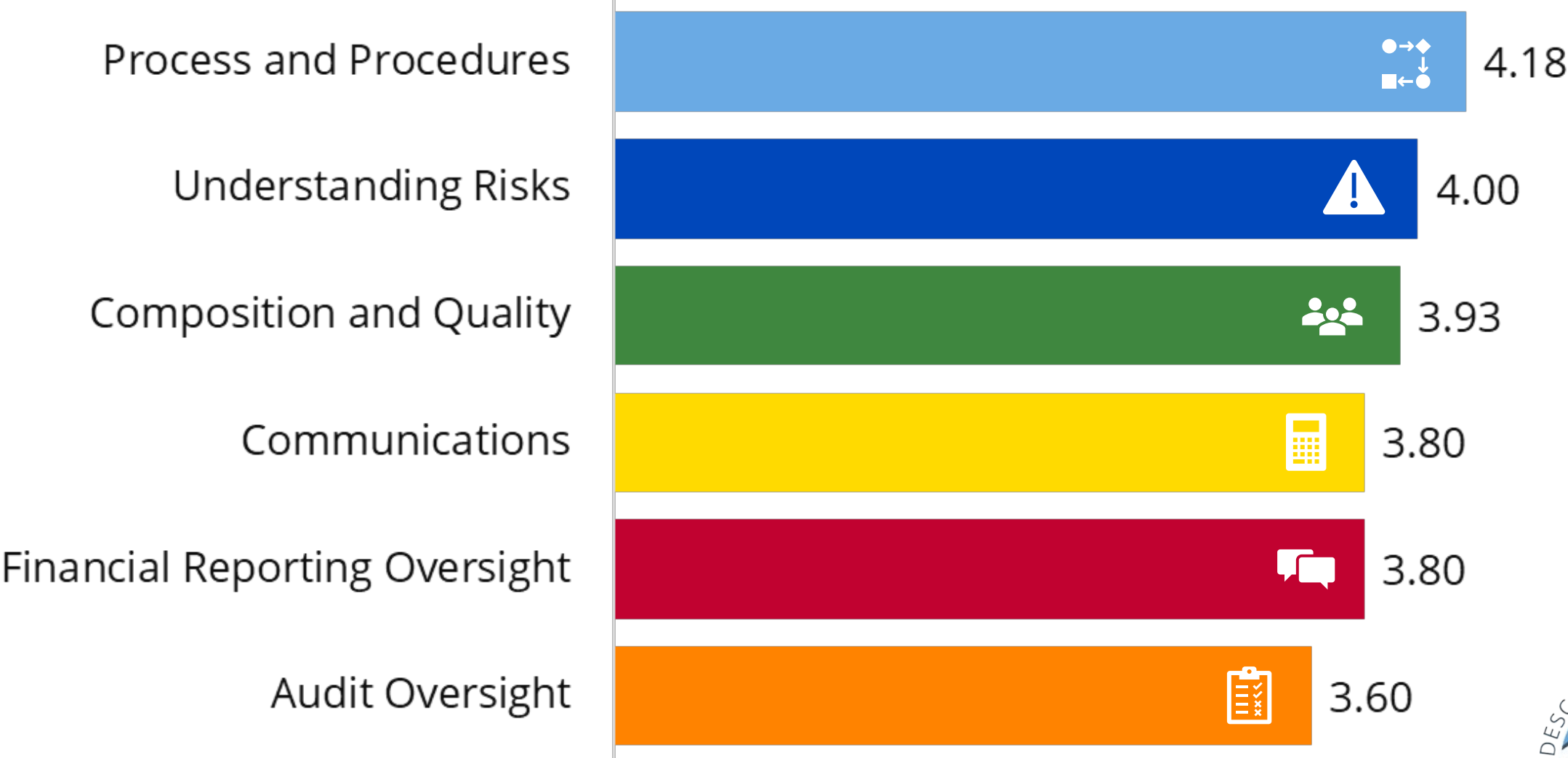
3

4

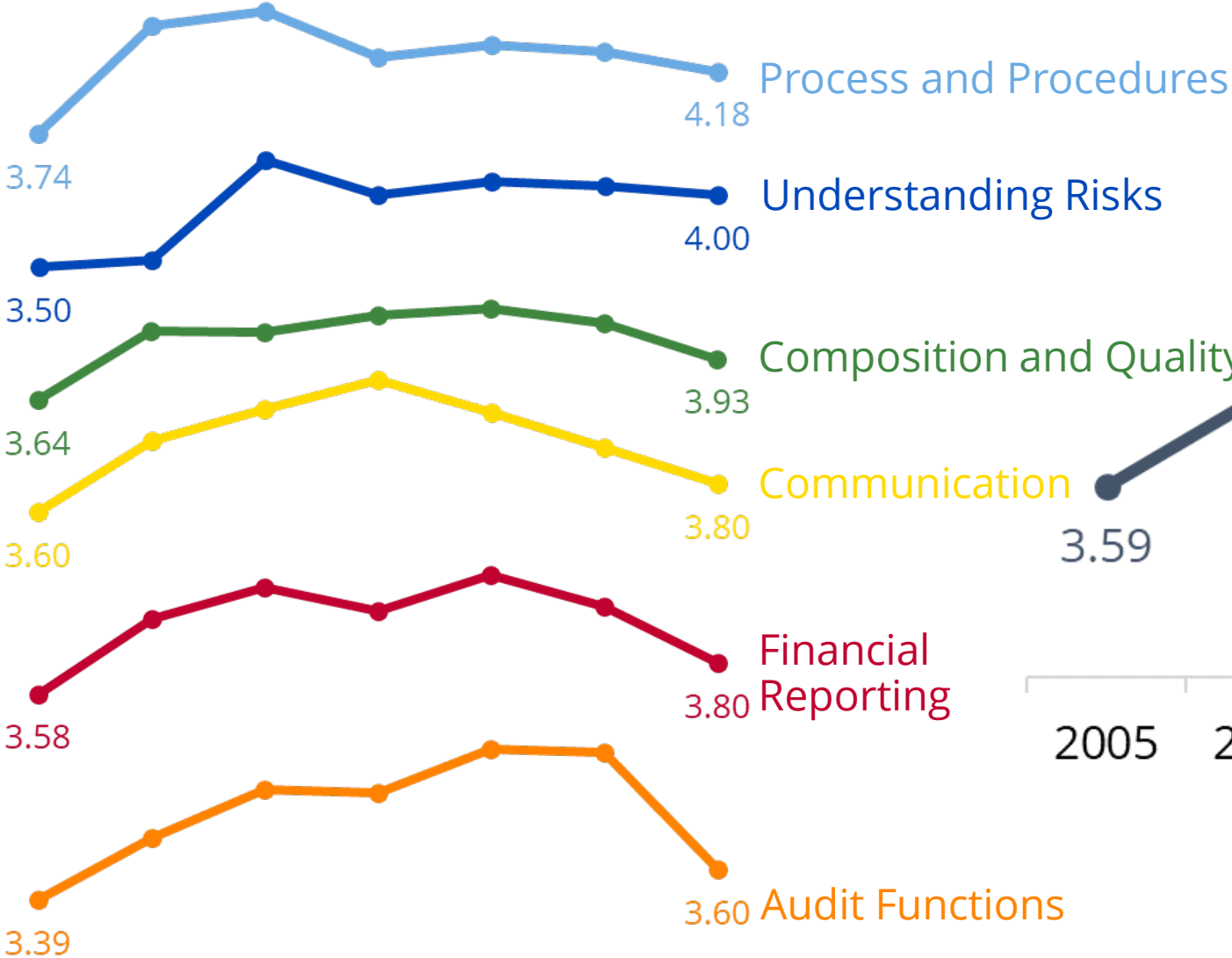
5



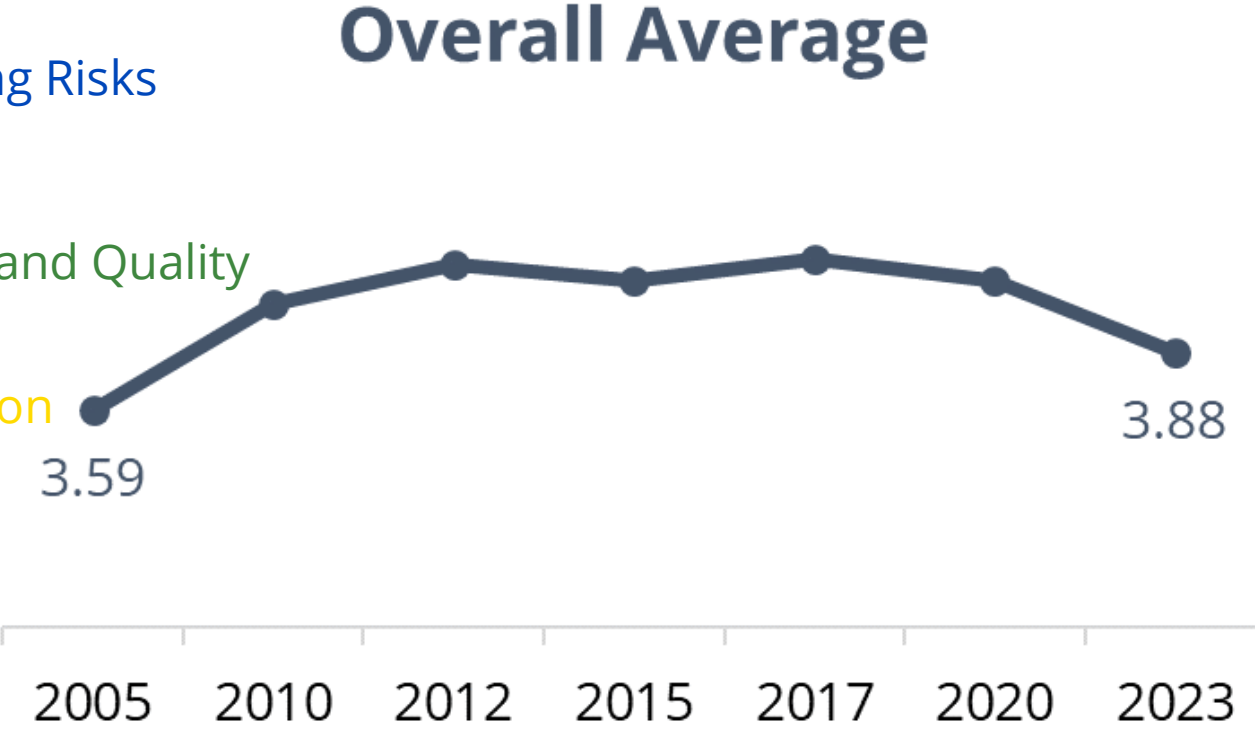
2023 Strengths



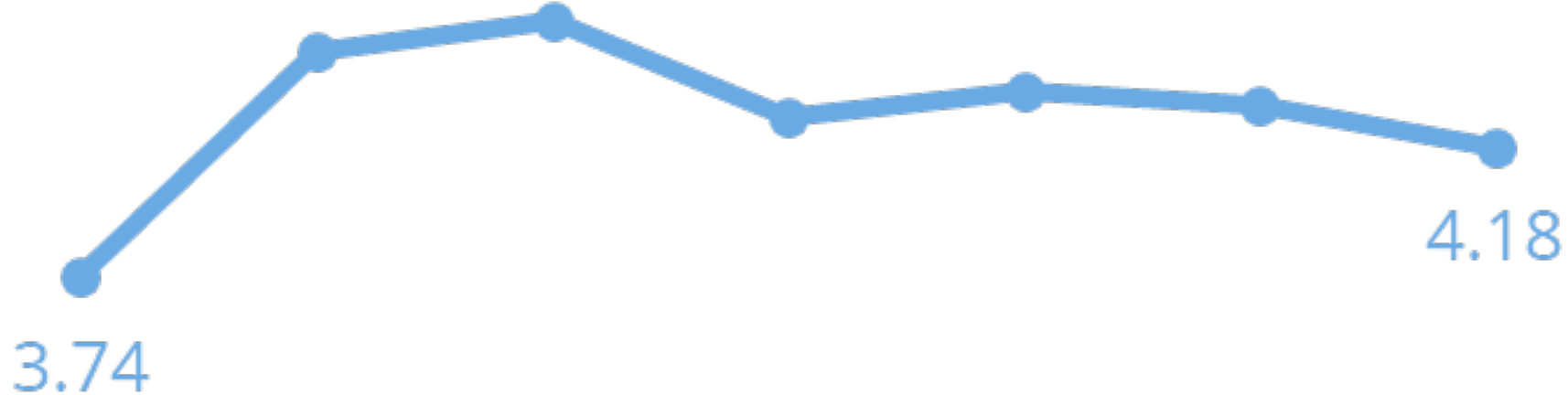
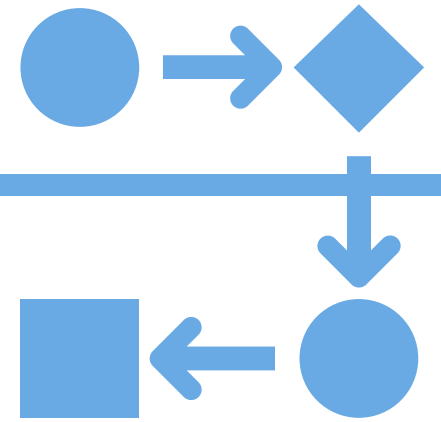
2023: Decreasing after 2017 Peak



Overall Average



Policies and Procedures

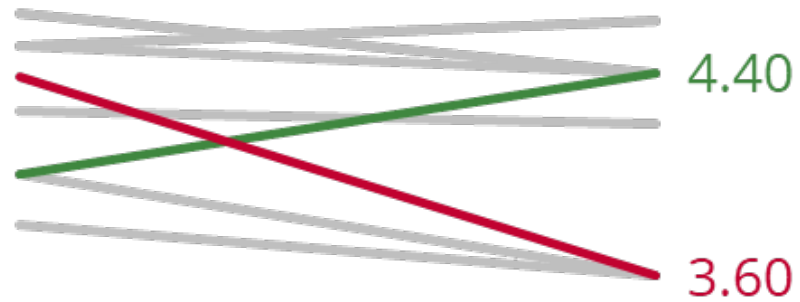
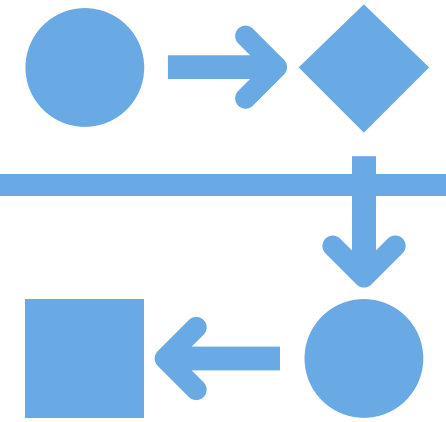


- Reports to Board of Commissioner
- Dedicated sufficient time and resources
- Develops a calendar
- Members can impact the agenda
- Encourages input on the agenda
- Agenda and materials distributed in advance
- At least quarterly meetings
- Promote open dialog

- Materials not too brief or detailed
- Committee responds appropriately



Policies and Procedures



Dedicates time and resources

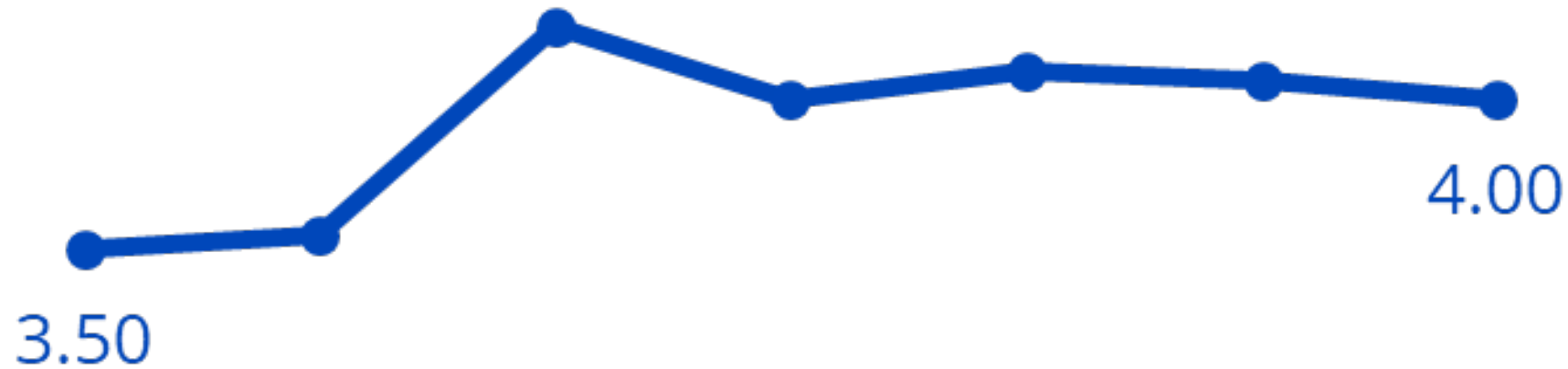
Input on agenda

2020

2023



Understanding Risks

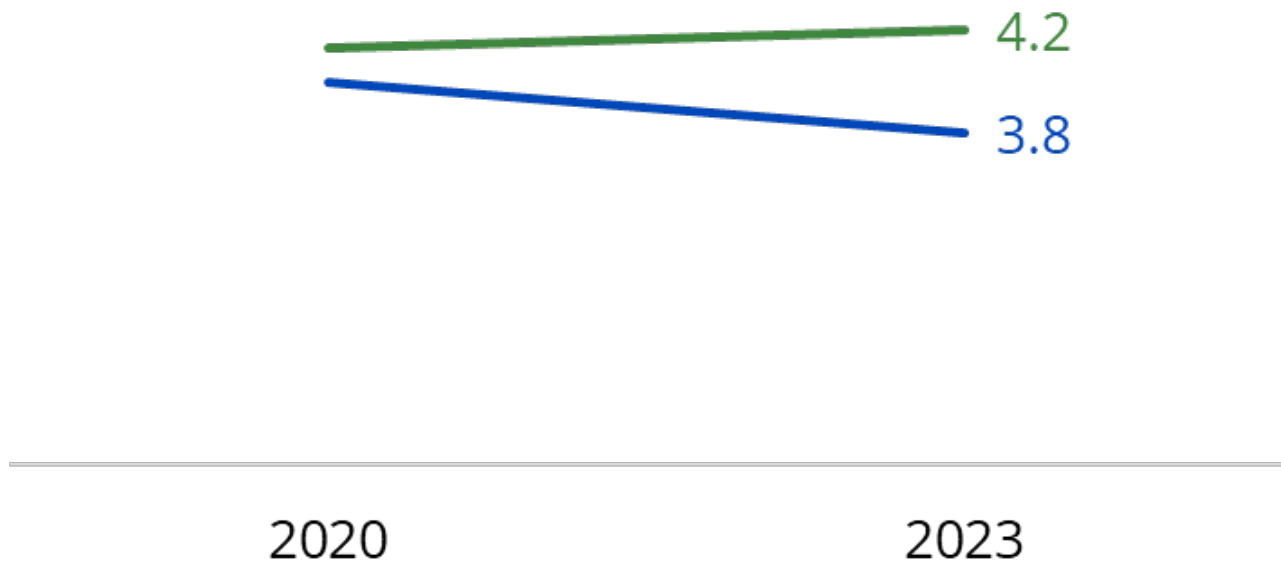


Understands pressures that may impact quality of financial statements

Understands significant risks to County, including process to identify risk



Understanding Risks



County Risks

Pressure on Management



Composition and Quality



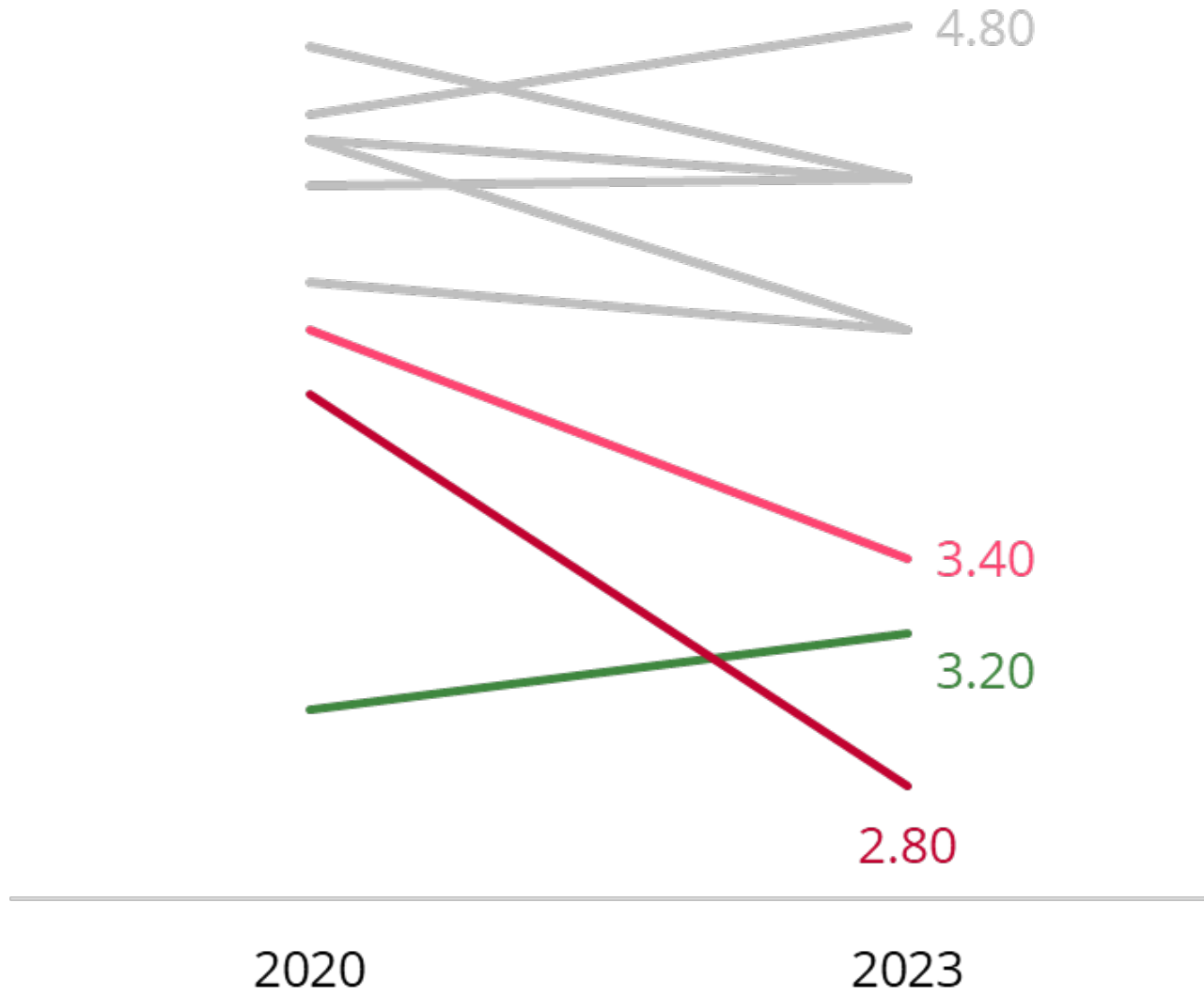
3.64

3.93

- Nominations: variety of sources, consider qualifications
- Predefined qualifications, financial literacy
- Diversity of experience and backgrounds
- Qualities: integrity, credibility, knowledge, etc.
- Independent
- Reviews charter annually
- Continuing education
- New member orientation
- Successions plans



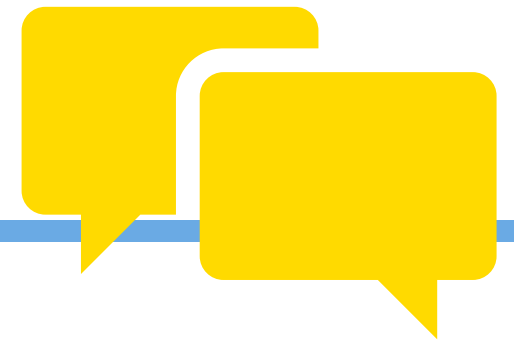
Composition and Quality



Reviews Charter Annually
Succession Plan
Continuing Education



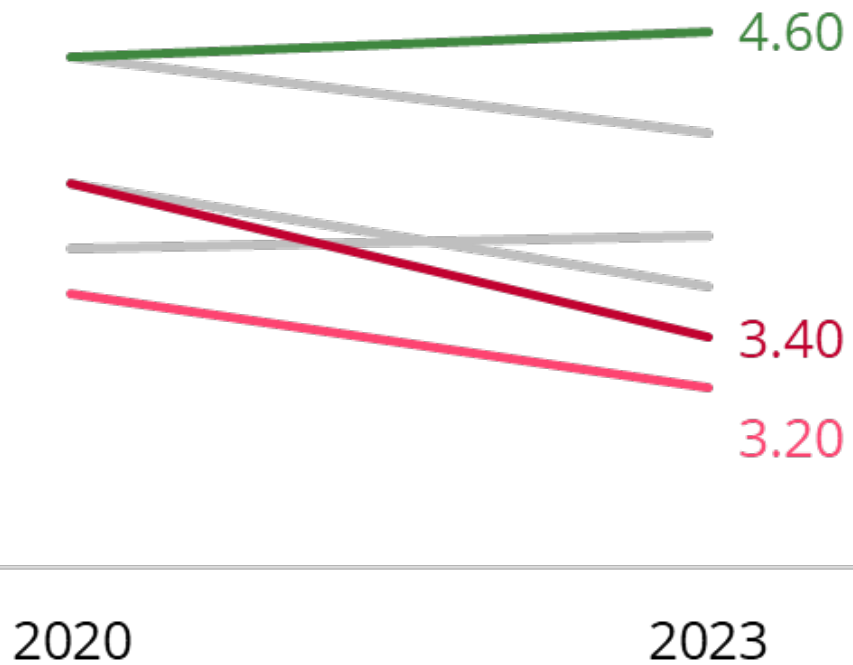
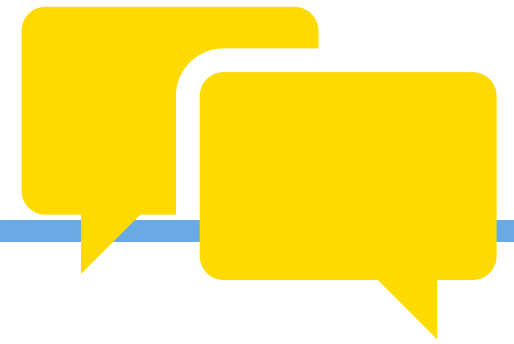
Communication



- Committee sets “tone at the top”
- Member open lines of communication
- Cooperative relationship with management and auditors
- Receives timely information
- Made aware of alleged violations
- Periodically visit locations



Communication



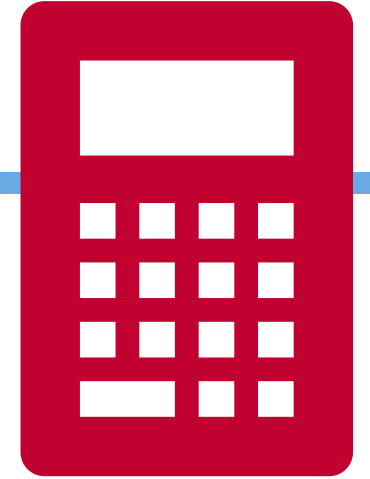
Cooperative Relationship

Timely Information

Visit Locations



Oversight Financial Reporting



Considers quality, including disclosures

Process to review significant issues

Information to assess internal controls

Consulted when management seeks a second opinion

Reviews and understands accounting procedures

Asks about experience and sufficiency of finance and audit staff

Ensures recommendations are addressed

Reviews management action plans

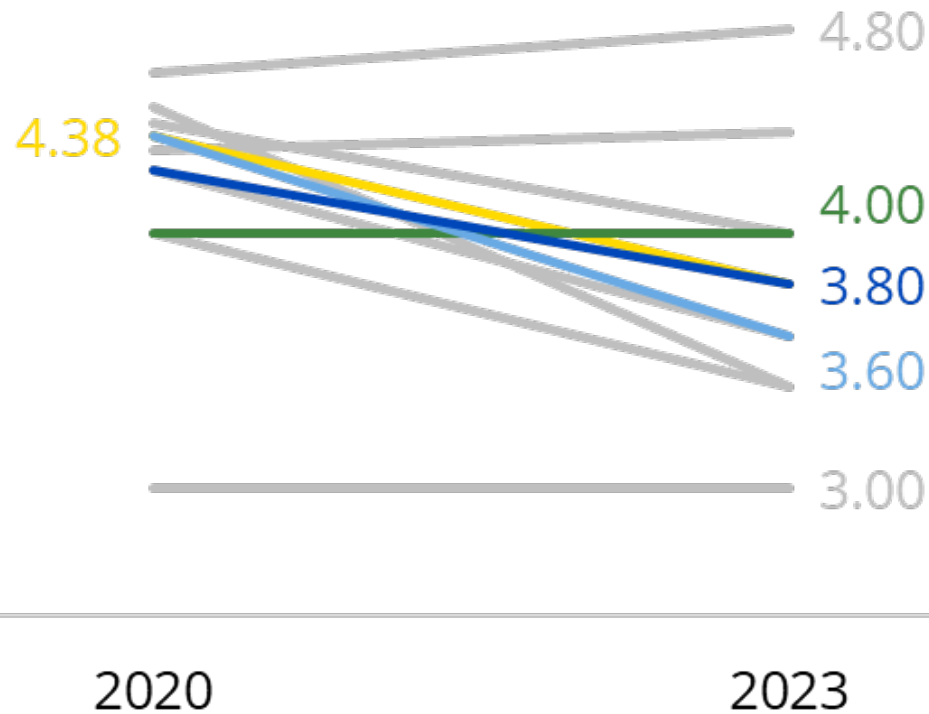
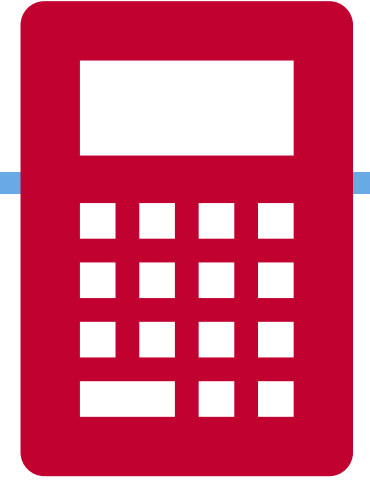
Ensures resolution

Reviews financial adjustments

Understand internal control testing



Oversight Financial Reporting



Quality of Financial Reports

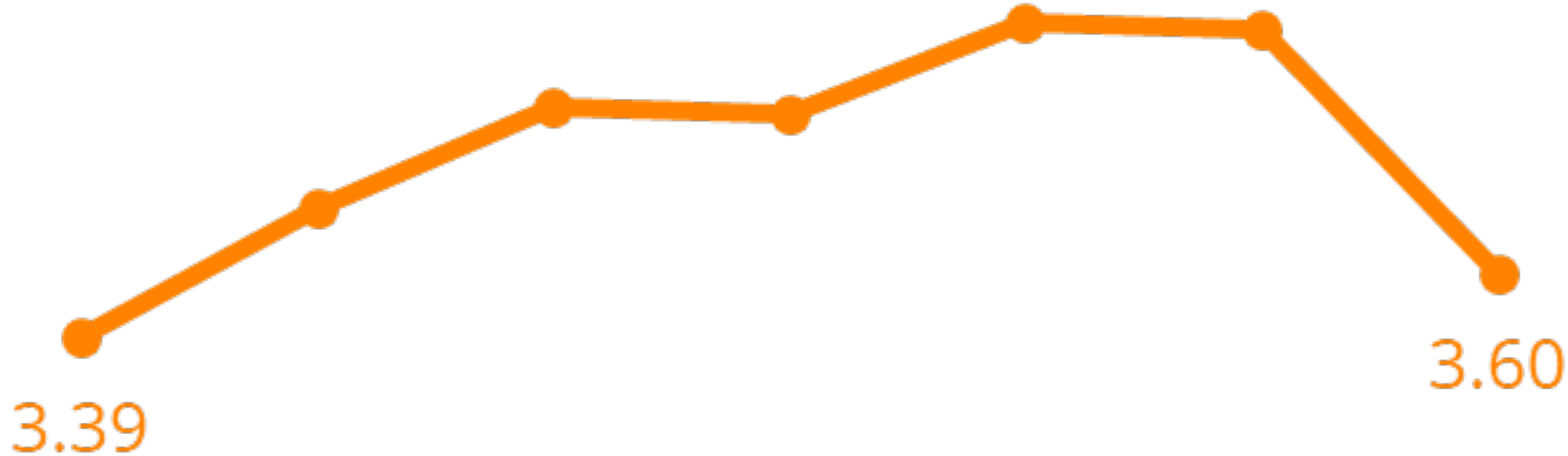
Reviews Accounting Policy

Ask Experience of Staff

Review Internal Controls



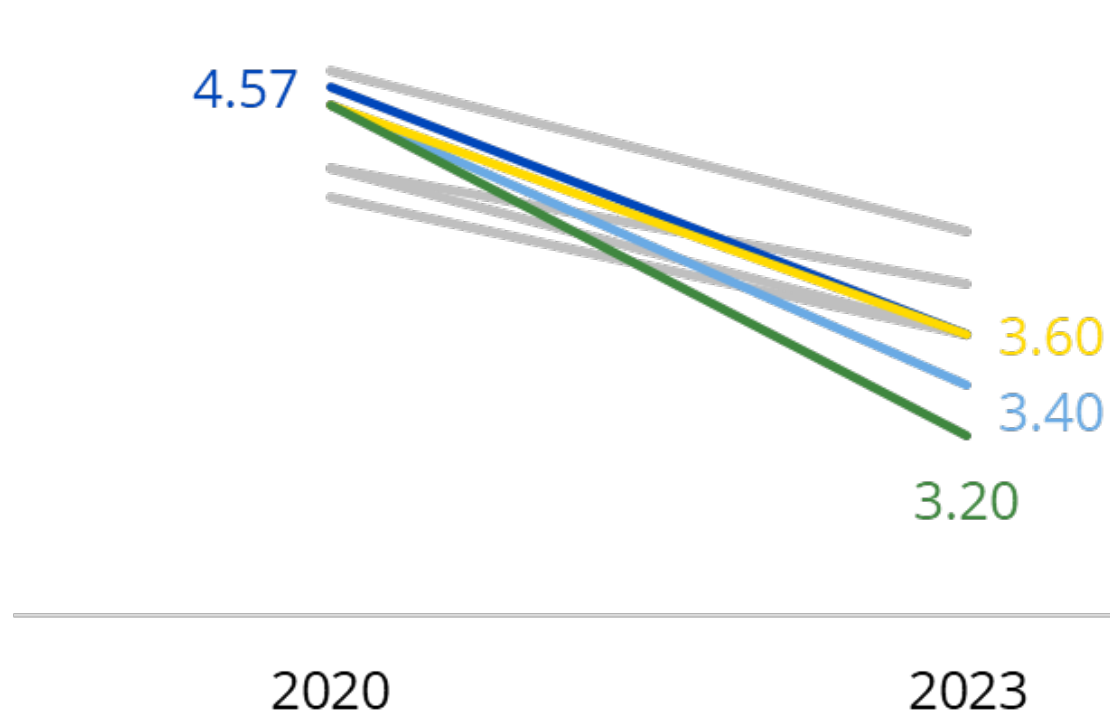
Oversight Audit



- Understands external/internal coordination
- Reviews internal audit charter, budget, staffing, etc.
- Process to assess compliance and effectiveness
- Selection and oversight of external auditor
- Considers non-audit services in assessing external auditor independence
- Reviews management representation letters
- Reviews fees paid to external auditor



Oversight Audit



External Auditor Fees

Non-audit Services

Representation Letters

Internal/External Coordination



Policies and Procedures



I generally see an agenda distributed ahead of a meeting, though I don't remember being asked for input. Not that I feel the need to have input because we set and work from a Work Plan that guides our agendas.

We are getting better at [promoting open dialog]

No possible material violations of laws, or alleged breaches of fiduciary duties have been discovered during my tenure. I have no doubt that the committee would become aware and respond appropriately though.



Understanding Risks



it is likely that most are not truly aware of the pressures on management.

[Risk] is often discussed at committee meetings in the presence of audit staff and county management.



Composition and Quality



Are potential members really found via a variety of sources? Also, the qualifications the County is looking for may be too narrow.

No formal continuing education process

Aaron does a great job of this

Not aware of a "formal" succession plan but audit staff and County Human Resources have processes in place that historically have minimized vacancies within the committee.



Communication



[tone at the top] Internal Audit, definitely. Not sure about the Audit Committee? I would be interested to hear the County Administrator's thoughts about it.

Some meetings have been held at County locations such as Community Development and the County Landfill. We also had a tour of the County Jail. I really like this aspect of our meetings.

Consider providing contemporaneous communication to the audit committee with relevant press releases and changes, not just at meetings.

I don't recall site visits being conducted.



Oversight Financial Reporting



To my knowledge, the Committee has never performed a comprehensive review or assessment of the County's Internal Controls.

Either there have been no policy changes, they have not been presented to the Committee, or I just do not remember.

During external audit presentation, let's consider asking the auditors to review the status of prior year recommendations with the Committee.



Oversight Audit



I do not remember ever having this discussion. [Fees to auditor]

The committee was involved with the selection of the newly appointed External Auditors.

I do not remember ever having this discussion. [Non-audit services]

We do?? I have always assumed the [Auditor] reporting structure was determined by the Board or Administrator.



March Meeting: Bring Ideas

Change
Processes

Understand
Risk

Committee
Composition

Improve
Communication

External Audit

Internal Audit

