

Office of the County Internal Auditor

Audit Committee Survey Next Steps



Audit Committee Meeting | March 8, 2024

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

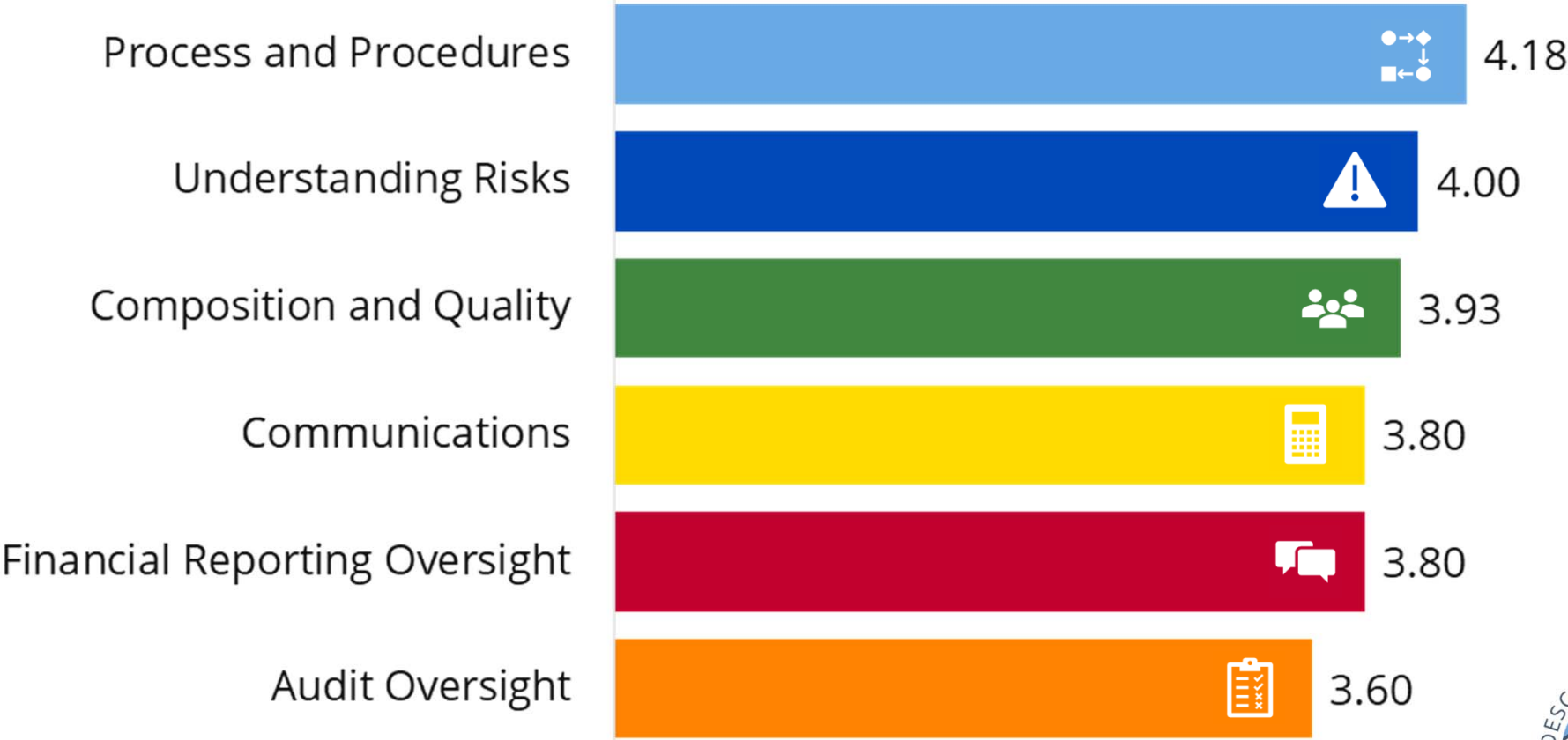
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2023 Strengths



What should we change? Or Not?

Processes

Understand
Risk

Committee
Composition

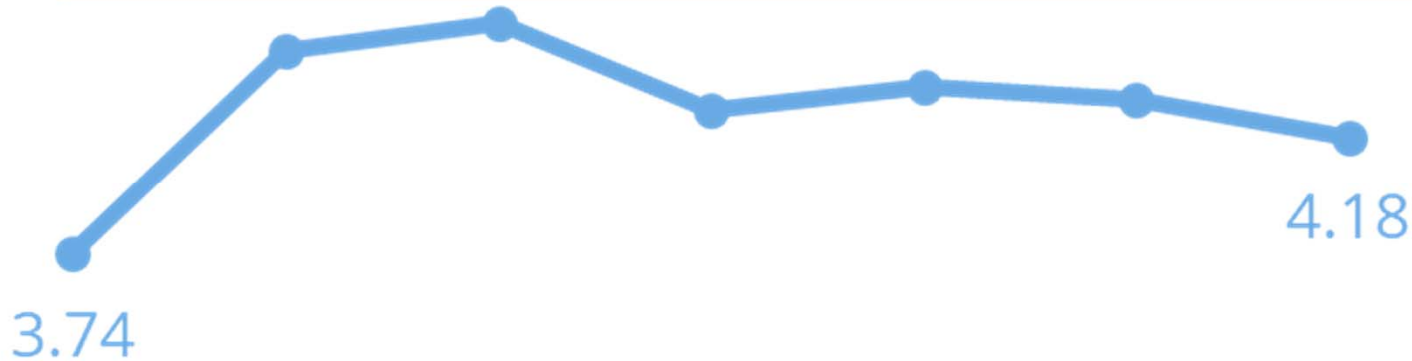
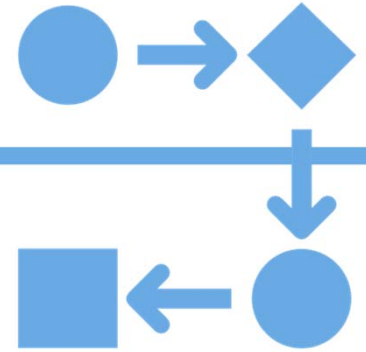
Improve
Communication

External Audit

Internal Audit



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



Understanding Risks



Understands pressures that may impact quality of financial statements

Understands significant risks to County, including process to identify risk



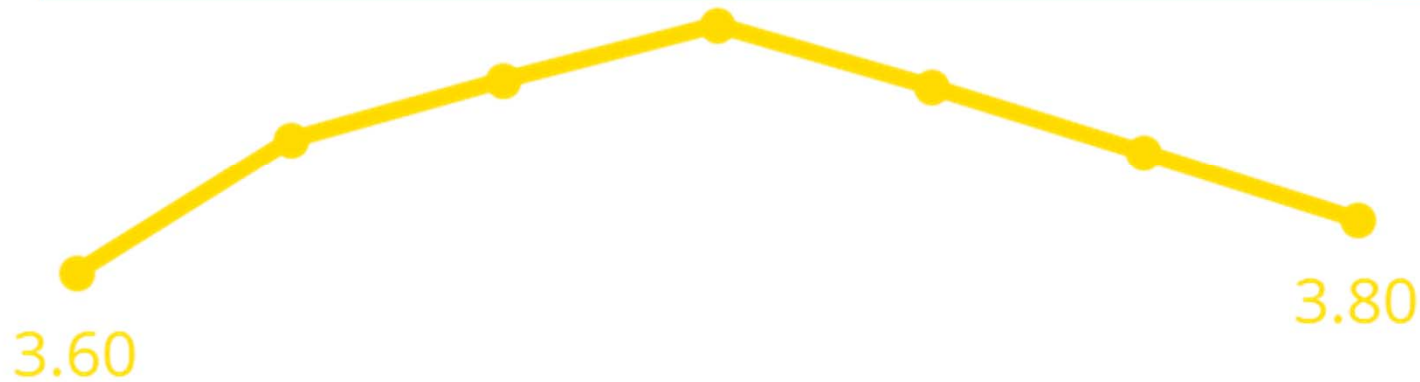
Composition and Quality



- 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



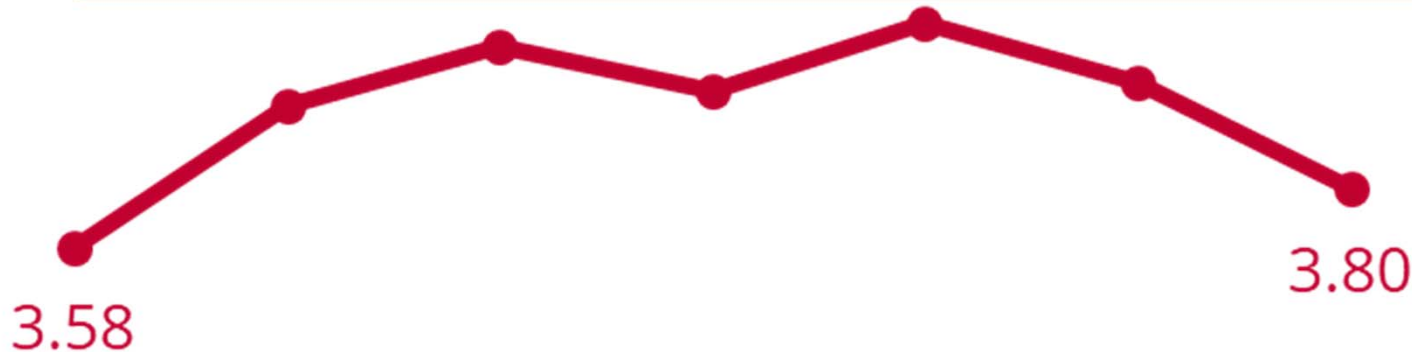
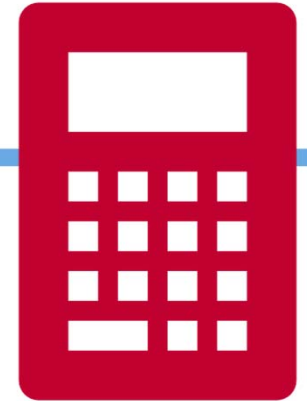
Communication



- 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



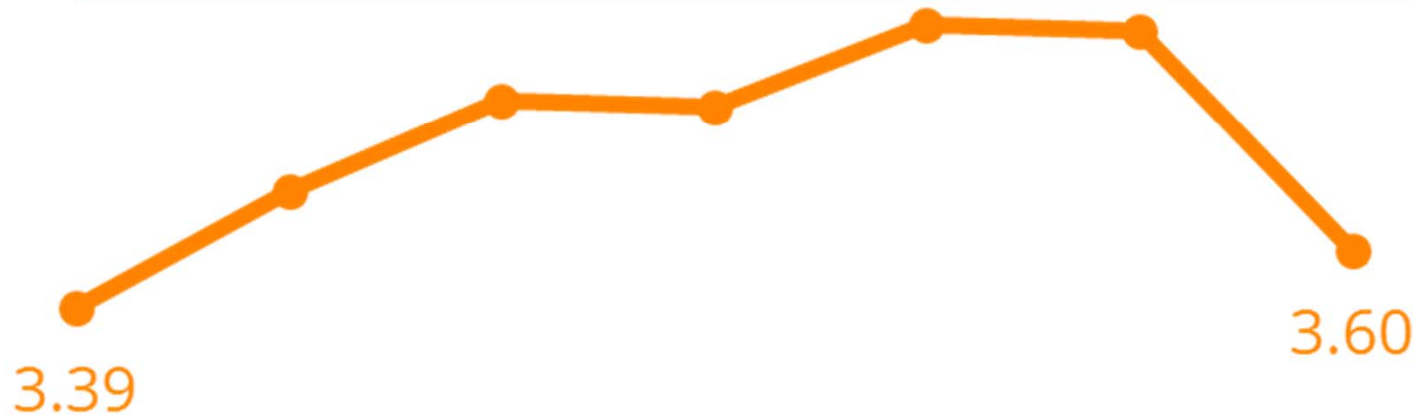
Oversight Financial Reporting



- 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 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

