

RECORDING MEMO

	Agreement (IGA)
	Amendment/Contract Extension
	Policy, Plan, Reports
X	Other

ORIGINATING COUNTY

DEPARTMENT: Finance Dept.
Christa Bosserman-Wolfe

PURCHASING FOR: N/A

OTHER PARTY: N/A

Approval Date: 4-20-17

Agenda Item No. B.2

PURPOSE:

Approval of a Revision to the Bylaws of the Clackamas County Audit Committee

After Recording Please Return to
Jennifer Johnson, Finance Department

Clackamas County Official Records
Sherry Hall, County Clerk
Commissioners' Journals
Agreements & Contracts

2017-0542

05/03/2017 8:18:11 AM

BYLAWS OF THE CLACKAMAS COUNTY AUDIT COMMITTEE

RECITALS

WHEREAS, it is recognized that financial oversight of all county departments, districts, and agencies is a core responsibility of the Clackamas County Board of Commissioners in its capacity as the county governing body, with sound financial reporting being an essential element of public accountability; and

WHEREAS, it is further recognized that county management is responsible for the fair presentation in the financial statements in conformity with generally accepted accounting principles, and independent auditors also share responsibility for auditing the quality of financial reporting, and formation of an Audit Committee is a practical tool for ensuring that the governing body maintains effective oversight and control of financial reporting; and

WHEREAS, it is further recognized that an audit committee will help to preserve and enhance the objectivity and independence of the audit function by furnishing a forum in which the independent auditors can candidly discuss audit-related matters with members of the governing body;

NOW, THEREFORE, the Board hereby adopts the following Bylaws:

ARTICLE I

Name

1.01. These Bylaws shall govern the actions of the Clackamas County Audit Committee ("Committee") established by the Board of Clackamas County Commissioners ("Board").

ARTICLE II

Purposes, Duties, and Powers

2.01. It is the responsibility of the Committee to provide independent review and oversight of the County's financial reporting processes, internal controls and independent auditors, and to deliver any recommendations and proposed changes regarding the same to County administration and the Board of County Commissioners. In carrying out its responsibilities the Committee shall have the following powers:

- 2.01.1 Review and approve the Committee's work program on an annual basis.
- 2.01.2 Review and approve annual financial audit reports prepared by the independent auditors.
- 2.01.3 Review responses and corrective actions taken by audited County offices.
- 2.01.4 Ensure that County accounting policies and procedures comply with all applicable laws, rules and regulations.
- 2.01.5 Make recommendations regarding the appropriate systems of accounting and financial controls and internal monitoring systems so that County offices may achieve their objectives without unacceptable risk.

BYLAWS OF THE CLACKAMAS COUNTY AUDIT COMMITTEE

- 2.01.6 Confer with independent external auditors retained by the County and discuss their timetable, audit plan and any problems the external auditors may have experienced in accounting policies, accounting errors, or in their dealings with County personnel.
- 2.01.7 Review any significant financial adjustments arising from the annual financial audit.
- 2.01.8 Ensure that adequate procedures are in place to address any fraudulent or corrupt activities that may affect the County.
- 2.01.9 Report on any matter that the Committee considers appropriate under its purview.
- 2.01.10 Request any information the Committee determines is relevant to its activities from any County office.
- 2.01.11 Seek legal advice from the Office of County Counsel or the District Attorney.
- 2.01.12 Request that that the Board approve the hiring of a firm or individual to provide professional services to the Committee.
- 2.01.13 At the Committee's discretion, other specific tasks of the Committee may include the following activities: a) participating in the procurement process for audit services; b) review the financial statements; c) review the independent auditor's reports and follow up on corrective action plans; d) assess the performance of the independent auditors; and e) provide an independent forum for the auditors to report findings of management abuse or control override.

ARTICLE III

Audit Committee Administration

Membership

3.01 Members of the Committee will be appointed by the Board. The Committee shall consist of eight (8) members: Two (2) members of the Board; one (1) attorney from the County Counsel's Office; two (2) County Department heads not from County Finance or Administration; two (2) citizen members selected for their expertise in governmental or non-profit financial reporting and auditing and (1) citizen member also currently serving on the County's Budget Committee. The County's Financial Accounting and Reporting program of the Finance Department will be assigned as staff to the Audit Committee, to assist in the delivery of any information requested.

3.02 All members of the Committee shall have at least basic knowledge of governmental or non-profit financial reporting and auditing. Committee members shall serve a term of two (2) years, after which they shall be subject to reappointment at the discretion of the Board. The Board may remove a Committee member for any reason it deems appropriate.

3.03 Consistent with the best practices for audit committees recommended by the Government Finance Officers Association, an important benefit of an Audit Committee is its ability to meet with independent auditors apart from county management. Therefore, no member of the Committee shall be an appointed or elected official who exercises financial management responsibilities within the scope of the audit and such individuals who exercise such financial management may be excused from Committee discussions if requested.

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Duties of Membership

3.04 Each member of the Committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Committee and the County with such care as an ordinarily prudent person in a similar position would use under similar circumstances.

Meetings

3.05 The Committee shall meet at least twice annually, once as an entrance conference and as an exit conference with the independent auditors. The Committee Chair may set meeting dates to accommodate special circumstances, and may call a meeting any time deemed appropriate.

3.06 Meetings of the Audit Committee are public meetings and shall comply with Oregon Public Meetings Law. Work product discussed and distributed at meetings are not public records unless and until they are final audit products.

3.07 Members shall be given the agenda and related materials/documents pertaining to the items before the Committee one week prior to the meeting date.

3.08 To the extent not contrary to these bylaws, Roberts Rules of Order shall govern all meetings of the Committee.

3.09 A quorum shall be present and in attendance to conduct audit committee business. A quorum is defined as a majority of the full membership not just a majority of those present.

Procurement of Outside Financial Expert

3.09 The services of an outside financial expert may be requested by the Committee to assist it in its duties.

Budget

3.10 Each year the Committee shall advise the County Administrator of any potential budgetary needs prior to March First.

ARTICLE IV: OFFICERS

4.01 The officers of the Committee shall consist of a Chairperson and Vice-Chairperson, who shall both be Board members. The Board shall determine the Board members who shall serve as officers in the normal course of assigning Board representation and assignments.

ARTICLE V: BOOKS AND RECORDS

5.01 The Committee shall keep general minutes of the proceedings of all meetings, which shall be circulated to all Committee members.

BYLAWS OF THE CLACKAMAS COUNTY AUDIT COMMITTEE

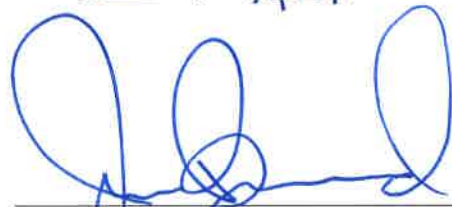
5.02 The records of the Committee shall be public records, unless otherwise exempt from disclosure, as governed by the Oregon Public Records Law.

ARTICLE VI: AMENDMENT

6.01 These bylaws may be repealed or amended, and additional bylaws may be adopted, by a majority vote of the Board. The committee shall review the bylaws at least once every five years to assess their continued adequacy.

ARTICLE VIII: SIGNATURE

I HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the Bylaws of the Clackamas County Audit Committee, in effect on this 20 day of April, 2017.



Jim Bernard
Chair, Board of County Commissioners
Clackamas County B.2