

ORDINANCE 2013-15

AN ORDINANCE ESTABLISHING THE AUDIT COMMITTEE AND ENACTING CHAPTER 21, AUDIT COMMITTEE, OF TITLE 4, BOARDS AND COMMITTEES, OF THE TOOELE COUNTY CODE

WHEREAS, the Tooele County Commission desires to establish a committee to oversee proper external review of the County's audited financial statements as well as the County's financial risk management to include monitoring the internal control environment.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE BODY OF TOOELE COUNTY, UTAH AS FOLLOWS:

SECTION I – CHAPTER ENACTED. Tooele County Code Title 4 Chapter 21 is hereby enacted to read as follows:

CHAPTER 21

AUDIT COMMITTEE

4-21-1. Establishment of committee.

There is hereby created the Audit Committee for Tooele County.

4-21-2. Appointment – Term – Compensation.

(1) The Audit Committee shall be comprised of three to five members appointed by the Tooele County Commission. The committee members must have a basic understanding of financial reports and independent auditing standards with one member who is designated as the financial expert.

(2) Each committee member shall be free of any relationship that, in the opinion of the Commission, would interfere with his or her individual exercise of independent judgment. County elected officials, employees, and their immediate family members may not serve on the committee.

(3) Committee members may serve up to two four-year terms.

(4) Each member shall be paid a \$1,000 annual stipend, half of which will be paid by check at the two required meetings.

4-21-3. Chairman – Meetings.

(1) The committee members shall elect a chairman at the end of each audit cycle to serve as chairman for the following cycle.

(2) The Audit Committee shall meet as needed to fulfill its responsibilities, but will meet at least twice annually; once to review the audit plan and once to review the audited financial statements. The committee may also meet to discuss the approval of the audit engagement, special investigations related to fraud, financial irregularities, and internal control failures.

4-21-4. Duties.

The Audit Committee shall:

- (1) develop and annually review audit-related policies and have a regular process of determining whether the County is receiving quality audit services for a fair price based on established policies and regulations;
- (2) meet with the audit firm to review the audited financial statements;
- (3) address any issues identified in the required communications and management letter;
- (4) solicit from the audit firm observations on staff skills, qualifications, and performance related to those audited functions;
- (5) review the performance of the auditors, ensuring continued independence;
- (6) review the audit plans for the coming year and discuss with the external audit firm and internal auditor(s);
- (7) review with management and the external auditor, the internal control process, financial risk management, and mitigation process;
- (8) report and recommend the results of audit findings to the Commission for approval;
- (9) act as external point of contact for any whistle-blowing issues on financial matters, and, if necessary, initiate special investigations of policies, procedures, and practices;
- (10) review the presentation of the financial information in the annual report before printed;
- (11) conduct private executive sessions at least annually with the external auditors and management;
- (12) assure that management understands the audit report and makes recommendations for changes in policy or practice as supported by the audit report; and
- (13) conduct an annual review of the Audit Committee Charter and recommend appropriate changes to the Commission.

4-21-5. Reporting – Dismissal.

- (1) The Audit Committee shall report directly to the County Commission.
- (2) Committee members may be dismissed from the committee should any objectionable acts be committed or independence be compromised. Dismissal requires a unanimous vote by the Commissioners.

4-21-6. Role of the Audit Committee.

(1) The Audit Committee is created to oversee proper external review of the audited financial statements, as well as the County's financial risk management, to include monitoring the internal control environment. The committee also helps the County Commissioners understand and interpret the financial statements and audit reports.

(2) The Audit Committee assists the Commission with oversight of the following:

- (a) integrity of the County's financial statements;
- (b) internal control over the financial reporting process;
- (c) external auditor's qualifications, independence, and performance;
- (d) performance of the internal audit function; and
- (e) compliance with legal and regulatory requirements.

SECTION II - REPEALER. Ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION III - EFFECTIVE DATE. This ordinance shall take effect fifteen (15) days after its passage, provided the same has been published, with the name of the members voting for and against the same, for at least one publication in one issue of a newspaper published in and having general circulation in Tooele County.

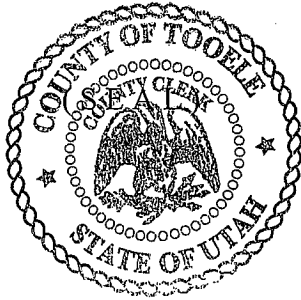
IN WITNESS WHEREOF the Tooele County Commission, which is the legislative body of Tooele County, passed, approved and enacted this ordinance this 1st day of October 2013.

Ord. 2013-15

ATTEST:



MARILYN K. GILLETTE, Clerk



APPROVED AS TO FORM:



DOUG HOGAN
Tooele County Attorney

TOOELE COUNTY COMMISSION:



J. BRUCE CLEGG, Chairman

Commissioner Clegg voted aye
Commissioner Hurst voted aye
Commissioner Milne voted aye