

PINAL COUNTY AUDIT COMMITTEE CHARTER

Revised: November 7, 2008

Purpose:

The Audit Committee's primary purpose is to assist the Board of Supervisors in fulfilling its oversight responsibilities by reviewing and evaluating the County's financial information, the established systems of internal controls, and the audit process. The Audit Committee will also provide for open communication between the Office of Internal Audit, the Arizona Office of Auditor General, and the Board of Supervisors.

Authority:

The Committee is established by the Board of Supervisors to support the Board's efforts in complying with fiscal requirements and responsibilities conveyed to it in the state statutes.

Responsibilities:

The Committee's responsibilities include the following:

1. Review and consider the Office of Internal Audit's annual audit plan
2. Receive periodic updates, as needed, from the Auditor General's Office regarding its audit activities.
3. Review with the Internal Audit Officer and the Auditor General the coordination of audit efforts to
 - a. Maximize audit scope
 - b. Minimize duplication of efforts
 - c. Ensure effective use of all audit resources, including any external auditing or consulting services.
 - d. Ensure adequate review and evaluation of the established systems of internal controls
4. Review with the Internal Audit Officer:
 - a. Significant audit findings during the year and management's response, including management's plan of action to implement recommendations and timeline for completion.
 - b. Any obstacles imposed by management and staff during audits, including scope limitations or access to required information or personnel.
 - c. Internal Audit's annual risk assessment and audit plan
 - d. Significant changes to the annual audit plan.
 - e. Internal Audit budget and staffing requirements.
 - f. Internal Audit Charter
 - g. Overall audit quality and compliance with professional standards.
5. The Committee will review the following:
 - a. The County's annual financial statements and related footnotes.

- b. The Auditor General's report on the annual audit of the financial statements.
 - c. Any significant difficulties or other matters related to any audit that requires communication to the Committee.
6. Conduct regular meetings at least four times per year, or more often if required to accomplish its objectives.
 7. Request members of County Management, Elected Officials, or others to attend the meetings and provide pertinent information as necessary. Comply with the Open Meeting Law (A.R.S. § 38-431).
 8. Report its activities to the Board of Supervisors and make recommendations to the Board, County Manager's Office and/or other Elected Officials, as circumstances require.
 9. Review the Committee Charter annually and seek Board approval on any recommended changes.
 10. Include a letter in the Annual Report describing the Committee's duties and responsibilities, and how they were accomplished.

Committee Composition and Terms

Each member of the Board of Supervisors will appoint one individual from the public to serve as a member of the Audit Committee. Each appointed member will serve a two-year term, unless his/her appointment to the committee is otherwise terminated. An individual may be appointed to serve no more than two terms as a committee member. A Committee Chairman will be selected by the members to serve a one-year term, unless his/her appointment to the committee is otherwise terminated. Each committee member will serve at the pleasure of the Board of Supervisors, and as such, his/her appointment to the committee may be terminated at any time by a majority vote of the Board of Supervisors.

Member Qualifications

The Committee shall be comprised of members who are independent of the daily management and operations of the County and collectively possess sufficient knowledge of accounting, auditing, internal control and business management. This knowledge can be demonstrated through relevant education and training, job experience, public service or professional certifications, such as Certified Public Accountant or Certified Internal Auditor. Committee members must have the ability to think objectively and independently, encourage accountability and transparency, and work cooperatively with management and Elected Officials to achieve improvements in County operations. It is important that members appreciate and have a determination to uphold the County's culture and values, while demonstrating a thoughtful approach to the ethical issues that may be faced. Members should have a professional approach to their duties, including an appropriate commitment of time and effort. Committee members must not have any material financial interest in the operations of the County.