

ATHENS-CLARKE COUNTY AUDIT COMMITTEE CHARTER

1 INTRODUCTION

The Audit Committee was established in 2007 by former Mayor Heidi Davison to assist the Office of Operational Analysis in selecting a productive and feasible annual workplan, reviewing draft and final reports, and providing comments and advisements for consideration. The committee consists of one committee chair and four committee members appointed by the Mayor for four-year terms. Under the amended model implemented in 2023, two members will be ACCGov County Commissioners, while three members will be selected from the community. Beginning in 2023, one of the three citizen members will serve two-years, another will serve three-years, while yet another member will serve a four-year initial term. Those not serving a full four-year term upon initial appointment will be eligible for reappointment per the discretion of the Mayor.

This charter seeks to clarify the purpose and duties of the Audit Committee, as well as solidify meeting procedures and protocol.

2 PURPOSE

The Audit Committee helps develop Audit Workplans for review and approval by the Mayor and Commission. The Audit Workplans serve as a prioritized list of audit assignments to review and agree upon which audits to conduct. The audit assignments include descriptions of objectives and definitions of scope. The Audit Committee reviews audit report drafts, and eventually recommends a final report to the M&C, all while providing comments for consideration by the Internal Auditor at various stages

3 AUTHORITY

- Meetings are led by the Committee Chair and advised by the Internal Auditor.
- Any revisions to the report are made only with the approval of the Internal Auditor.
- The Manager reviews and responds to the recommendations.
 - The Manager provides comments and potential implementation timeframes to the Audit Committee.
- The final report is submitted to the Mayor and Commission for acceptance.

The Audit Committee is a vital part of the audit process and helps facilitate the necessary independence of the Internal Auditor.

4 COMPOSITION

1. AUDIT COMMITTEE

- Helps develop Audit Workplans (prioritized list of audit assignments) for review and approval by the Mayor and Commission.
 - The audit assignments include descriptions of objectives and definitions of scope.
- Reviews draft audit reports (conclusions, recommendations) and Mayor & Commission reports, providing comments for consideration by the Internal Auditor.

2. COMMITTEE CHAIR

- Serves as the Audit Committee's point of contact with the Mayor, Commission, Internal Auditor, and Manager.
- Calls to order and conducts the committee meetings, maintaining decorum and official procedure.
- Provides advance meeting information to the Clerk of Commission, in coordination with the Internal Auditor
- Reviews progress reports from the Internal Auditor.
- Reviews, approves, and signs commission reports prepared by the Internal Auditor in reference to the Audit Committee.
- Forwards final audit reports to the Mayor and Commission via agenda reports prepared by the Internal Auditor and signed by the committee Chair.

3. INTERNAL AUDITOR

- Attends Audit Committee meetings and takes action notes for distribution and approval during the following meeting.
- Prepares the office's annual budget for review and approval/modification by the Mayor and Commission.
- Per the scope and objectives for each audit as defined by the Audit Committee, develops a plan that outlines the approach and an estimated completion schedule for consideration.
- Schedules and conducts audits in support of established scope and objectives, to evaluate purpose, costs and effectiveness of services provided, and to identify constraints and opportunities for improved performance.
- Produces and distributes copies of reports in varying degrees of completion for reviews and comments.
- Prepares agenda reports for M&C action.
- Attends M&C meetings (agenda review, voting).
- Manages office personnel and operations.

4. MANAGER

- Per the Mayor and Commission approved workplan, provides notice of audit assignments to department directors.
- Reviews and responds to the “finding of facts” presented in the draft audit reports.
- Reviews the recommendations presented in the final audit and responds to the Audit Committee with comments and an implementation timeframe.
- Works to ensure departments provide requested follow-up status reports to the Internal Auditor at predetermined intervals.

5. AUDITEES

- Meet with Internal Auditor and management staff to discuss the audit scope and process.
- Provides working space for Operational Analysis staff as needed and available.
- Provides requested documents, records, correspondence etc. related to the purpose and scope of the audit.
- Reviews the “findings of facts” forwarded by the Manager, providing response, as applicable.
- Assists the Internal Auditor in scheduling interviews and site visits, ensuring staff participate as requested.

6. MAYOR

- Nominates an Internal Auditor candidate for approval by the Mayor and Commission and executes the employment contract.
- Reviews the office’s annual budget proposal as part of the entire ACCGov annual budget process, recommending changes, as applicable, and submitting to the Mayor and Commission for final approval.
- Reviews the office’s Mission/Goals/Objectives, as well as Policies/Procedures, as part of the annual budget process.
- Evaluates the Internal Auditor’s performance.
- Reviews audit report development (submitted through Audit Committee) prior to submission and consideration by the Mayor and Commission as a whole.

7. MAYOR AND COMMISSION

- Approve or reject the Mayor’s nominee for Internal Auditor.
- Reviews and subsequently acts upon the Mayor’s recommended budget, which includes funding requests by the Internal Auditor.
- Approves Mission/Goals/Objectives as part of the annual budget.

- Reviews and approves the annual work program in general, with discretion by the Internal Auditor to adjust details within the overall plan, so long as the list of audit topics remains.
- Reviews and accepts final audit reports.

5 AUDIT PROCESS

The following represents an abbreviated process that was approved by the Mayor and Commission in 2020. Although every audit project is unique, the audit process is similar for most engagements and consists of nine major, summarized stages; however, slight deviations can occur at the discretion of the Internal Auditor.

1. **WORK PLAN.** The Office of Operational Analysis will develop an audit workplan with input from the Audit Committee, Mayor, Commission, and County Manager.
2. **NOTIFY.** The OOA will schedule a meeting with a representative from the County Manager's Office and the Department Director of the process to be audited. The meeting will cover the scope and objectives of the audit, when the audit is expected to begin, and what the responsibilities for all parties are in the audit process.
3. **DISCOVERY.** The discovery or "field work" stage includes interviews with the staff, review of procedures and manuals, compliance with policies, procedures, and regulations, and assessing the adequacy of internal controls.
4. **COMMUNICATE.** Keep the department that is undergoing the audit updated on the status of the audit on a regular basis especially if there are any findings.
5. **VERIFY.** Preliminary findings are presented to the Department to confirm facts and findings.
6. **DRAFT.** The Department will receive the audit draft to confirm the facts and respond to the audit recommendations.
7. **MANAGEMENT RESPONSE.** Management will receive the audit draft and respond to the audit recommendations. Their response should assign responsibility and have a specific target date of completion for the corrective actions. Management's response is typically completed within 30 calendar days.
8. **DISTRIBUTE.** The final report is released to the Audit Committee, the audited department, Manager's Office, Mayor, Clerk of Commission, and County Attorney.
9. **ACCEPT/APPROVE.** Eventually, the final report is released to the full Commission as part of the agenda seeking Mayor and Commission acceptance and/or approval of recommendations at the next voting meeting.

To ensure objectivity and credibility, performance audits are guided by the generally accepted government auditing standards (the Yellow Book). These standards require that the

office plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives.

The Yellow Book, established by the U.S. Government Accountability Office ensures:

- Audits are objective and meet accepted professional standards.
- Findings and recommendations are fully supported by facts.
- Information and data reported are tested and reliable.
- Auditees have an opportunity to review and comment on audit results prior to report publication

6 MEETINGS

Audit Committee meetings will be held monthly, though subject to change upon consensus of the Audit Committee and Internal Auditor. The Office of Operational Analysis provides support to the committee by distributing all meeting materials, usually the Friday before the meeting, to include the agenda, minutes, and any additional documents that grant members the opportunity to adequately prepare for each meeting. The OOA will also send notifications of meetings in a timely manner, reserve the room for the meeting, and put the meeting on the ACCGov calendar.

Audit committee meetings are public, but non-members are only permitted to sit along the perimeter of the room. The Chair does not take comments from non-members unless certain information to be provided is applicable to the decision being considered. It is the duty of the Chair to maintain decorum during meetings, while it is the duty of all members to not breach independence during meetings and throughout the audit process.

7 RESPONSIBILITIES

The committee has the following responsibilities:

- Assist in development of the Internal Auditor's annual workplan.
 - The assignments may be either status updates to a previous audit, initial audits, or issue-specific.
 - The Audit Committee will help identify the department or agency, particular unit, program or service and describe the audit's purpose and areas of interest/concern, if any.
 - The Internal Auditor prepares an agenda report to transmit the Audit Committee's proposed workplan to the Mayor and Commission for acceptance/adoption/approval or other action.
- Define the purpose of each audit.

- Review both the draft report and final report for selected audits, and provide comments for consideration by the Internal Auditor.
- Monitor auditee's commitment to corrective actions.
 - Receive periodic reports on the status of agreed-upon corrective actions and require any manager/director who has not successfully completed the actions to appear before the committee.

In addition to these responsibilities, the committee may take on other activities that it deems necessary in accordance with the mission of the committee or the needs of the Internal Auditor.

8 EXPECTATIONS & SUCCESS

The Office of Operational Analysis and the Audit Committee seek to deliver value and impact through:

- Development of a workplan composed of relevant, important issues.
- Development and application of objective reviews and operational assessments.
- Active use of technology to maximize impact, when feasible and appropriate
- Collaboration with ACCGov departments and agencies.
- Formulation of valuable recommendations for the services and programs offered.
- Completion of audits in a timely manner.
- Continuous performance improvement.

A successful audit has the potential to provide:

- Significant cost impact.
- Improvement in public policies and operational practices.
- Increased efficiency, effectiveness, and performance of public services.
- Enhanced accountability systems and transparency of county operations.

A successful Audit Committee:

- Ensures Internal Auditor has adequate funding, staffing, and information.
- Assigns feasible audits with attainable and realistic scope.
- Assists with development of a workplan that is achievable.

A successful member of the Audit Committee holds the following qualities:

- Ability to act independently and be proactive in advising the organization of issues that require further management attention.
- Ability to ask relevant questions, evaluate the answer, and continue to probe for information until completely satisfied with the answers provided.
- Independence of thought.

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- Appreciation of the entity's culture and ethical values and a determination to uphold those values.
- Ability to encourage openness and transparency.
- Ability to work with management to achieve improvement in the organization.
- Ability to adequately explain technical matters to other members of the committee where members have been chosen for particular skills.
- Curiosity, energy, willingness to devote time, tact, people skills, and willingness to engage in spirited discussions.
- Work cooperatively with the OOA and Internal Auditor, trusting in each other's ability, and respecting all opinions.