

Audit Committee

Presented by the
County of Santa Barbara
Auditor-Controller's Office



Government Objective

- Be good stewards of resources
 - **Safeguarding** - Protect assets against danger or misuse
 - **Management** - Ensure that assets are used efficiently and effectively to achieve their intended purpose
 - **Accountability** - Report on stewardship of public resources



Why Establish an Audit Committee?

- Assist the government in achieving its objective
 - Enhance the audit function
 - Independent assessment
 - Communicate monitoring results and ensure adequate corrective action occurs
 - Smaller forum than full Board
 - Separate from management for auditors and other interested parties to candidly discuss concerns
 - Oversight of financial reporting
 - Better informed Board
 - Assist in early identification and prevention of control weaknesses to safeguard County assets



Scope of Committee Authority

- Countywide monitoring
- Countywide financial reporting
- Federal, State, local monitoring
- County performed monitoring
- Departmental quality assurance



Scope of Committee Authority and Responsibility

Countywide monitoring

- Communicate with executive management about fiscal health of the County and its financial status

Countywide financial reporting

- Review independent audit results related to CAFR and Federal Single Audit

Federal, State, local, monitoring

- Review results of all other external audits



Scope of Committee Authority and Responsibility

County performed monitoring

- Review results of Internal Audit activities
- Suspected fraud

Departmental quality assurance

- Review results of departmental quality assurance activity

Further detail of committee authority is listed in the charter.



Committee Activities

- Inquire of management and auditors regarding significant risks or exposure
- Review with management
 - Significant findings
 - Corrective action
- Review with management, auditors, and other professionals regarding the effect of any regulatory and accounting initiatives



Committee Activities

- Act in an advisory capacity to the Board
- Meet at least four times per year
- Establish committee policies and procedures
- Annually report to the Board
- No less than every 5 years review responsibilities, structure, processes, and membership requirements



Committee Composition

- Two members from the Board of Supervisors
- One member of the public with financial experience
 - Appointed by the full Board
 - Serve a two year term at will of the Board
- No County executives or management to maintain independence from those reporting to the committee

Thank You