

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2017	2018	2019	2020	2021
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT *	0				
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes No
 Budget Account No.: Fund Agency Org. Object
 Program Number Revenue Source

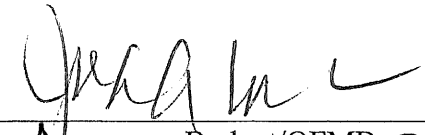
B. Recommended Sources of Funds/Summary of Fiscal Impact:

* No fiscal impact

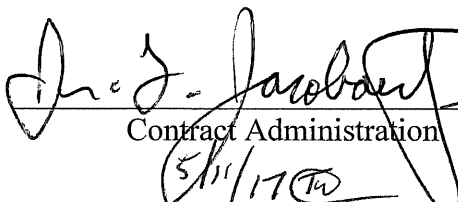
A. Department Fiscal Review:

III. REVIEW COMMENTS:

A. OFMB Fiscal and/or Contract Administration Comments:



 Budget/OFMB 5/5/17

 5/12/17

 Contract Administration
 5/11/17

B. Legal Sufficiency:

 5/15/17

 Assistant County Attorney

C. Other Department Review:

 Department Director

This summary is not to be used as a basis for payment.

- 1 A. Review and approve the annual risk-based audit plan prepared by the County
2 Internal Auditor.
- 3 B. Act as an advisor to the County Internal Auditor in conducting performance audits
4 of County departments, divisions, offices, agencies or boards which fall under the authority
5 of the BCC and entities contracting with the BCC.
- 6 C. Give guidance to the County Internal Auditor in planning and conducting
7 effectiveness, efficiency and economy reviews.
- 8 D. Act as an advisor to the BCC on the County Internal Auditor's function and
9 activities.
- 10 E. Provide advice and recommendations regarding the assessment of significant risks
11 and exposures as well as compliance with policies, procedures, laws and regulations.
- 12 F. Seek and obtain any information it requires from BCC or County employees, all of
13 whom are directed to cooperate with the Committee's request.

14 **SECTION 4. COMPOSITION.**

- 15 A. The Internal Audit Committee shall be composed of five members, and one alternate
16 member, appointed by the BCC and shall not include any County Commissioners as
17 members. The alternate member may only participate and vote when another member is
18 absent from a Committee meeting.
- 19 B. All members shall be citizens of Palm Beach County, independent of elected and appointed
20 County officials and employees, and not employed in any capacity by the BCC or by an
21 entity subject to audit by the County Internal Auditor.
- 22 C. Membership of the Internal Audit Committee will be to the greatest extent possible
23 representative of the community-at-large and reflect the racial, gender and ethnic make-up
24 of the community.
- 25 D. The members' terms shall be three years and staggered so that the Internal Audit
26 Committee annually includes a new member and members with one and two years of
27 service. The members' terms shall begin on October 1 and end on September 30.
- 28 E. Each member shall serve no more than three consecutive full three-year terms. Any
29 vacancy occurring during a term shall be filled for the unexpired portion of the term and
30 shall not count toward the member's term limits. Members must reside in the County at
31 the time of appointment and while serving on the Committee.

- 1 F. At least 90 days prior to the end of a member's term of service on the Internal Audit
2 Committee, the Internal Audit Committee shall either (a) recommend that the BCC
3 reappoint that member (if that member is eligible for reappointment) or (b) recommend
4 that the BCC appoint a new member.
- 5 G. Committee members shall have experience in business or finance; government accounting,
6 auditing, operations or financial management; or other relevant experience.
- 7 H. The chair of the Internal Audit Committee will be elected by the members of the Internal
8 Audit Committee to serve a single two-year term.
- 9 I. The Committee shall be subject to the uniform policies and procedures established by the
10 BCC as currently set forth in Resolution R-2013-0193, as may be further amended by
11 action of the Board of County Commissioners.
- 12 J. A quorum must be present for all Committee meetings. A majority of the members
13 appointed shall constitute a quorum. The alternate member may be counted for purposes
14 of a quorum only if another member is absent. All Committee meetings shall be governed
15 by Robert's Rules of Order.
- 16 K. Committee members shall be governed by the applicable provisions of the state Ethics
17 Code and the applicable provisions of the Palm Beach County Code of Ethics.

18 **SECTION 5. MEETINGS.**

- 19 A. The Internal Audit Committee will meet at least quarterly, with authority to convene
20 additional meetings, as circumstances require.
- 21 B. All Internal Audit Committee members must attend at least one-half of the scheduled
22 meetings in any membership year (a membership year runs from October 1 of one year to
23 September 30 of the following year) to remain a member. This meeting attendance policy
24 applies to the alternate member as well as to the regular members.
- 25 C. The Internal Audit Committee may invite members of management, internal auditors,
26 external auditors or others to attend meetings and provide pertinent information, as
27 necessary.
- 28 D. Meeting agendas will be prepared by the County Internal Auditor and provided in advance
29 to members, along with appropriate briefing materials. Meeting agendas will be approved
30 by the Internal Audit Committee at the start of each meeting.

1 E. Minutes will be prepared by the Clerk & Comptroller's Board Services/Minutes
2 Department.

3 **SECTION 6. RESPONSIBILITIES.**

4 The Internal Audit Committee will carry out the following responsibilities:

5 **A. Review and Direction of Internal Audit Function.**

- 6 1. Review with the County Internal Auditor the Internal Audit Committee Charter
7 Ordinance, audit plans, activities, staffing, budget, and organization structure of the
8 internal audit function. The Internal Audit Committee's key responsibilities will be
9 documented on a checklist at the beginning of each fiscal year, identifying the
10 frequency and the specific meeting date that each responsibility will be completed.
- 11 2. Review and make recommendations to the BCC for amendments to the County Charter
12 establishing the Office of the County Internal Auditor.
- 13 3. Review and approve the County Internal Auditor's annual audit plan, ensure that the
14 County Internal Auditor submits the approved plan to the BCC as an agenda item for
15 information purposes only, and review and approve any proposed amendments to the
16 annual plan.
- 17 4. Review internal audit reports to identify potential systemic high risk areas.
- 18 5. Ensure that the County Internal Auditor sends internal audit reports to the BCC as
19 agenda items and has internal audit reports posted on the County's website to promote
20 transparency in accordance with the Palm Beach County Internal Auditor Ordinance.
- 21 6. Report problems or problem areas to the BCC at such times as deemed appropriate.
- 22 7. Ensure that follow-up on reported findings is done in a timely manner to ensure
23 corrective actions are taken.
- 24 8. Evaluate at least annually the performance of the County Internal Auditor and the
25 effectiveness of the internal audit function and recommend compensation adjustments
26 and contract renewal for the County Internal Auditor to the BCC.
- 27 9. Evaluate the findings and recommendations of periodic peer reviews conducted by
28 independent parties to evaluate the internal audit function's adherence to professional
29 audit standards.
- 30 10. Act as a selection committee for the County Internal Auditor whenever the position
31 becomes vacant. Interview candidates with the assistance of the Human Resources

1 department, and make a recommendation to the BCC for the new County Internal
2 Auditor.

3 **B. Review of the Systems of Internal Controls.**

- 4 1. Act as an advisor to the County Internal Auditor in identifying and assessing the
5 County's significant risks or exposures. Such risks and exposures may arise from areas
6 including, but not limited to, County operations, finance, reporting, asserted and
7 unasserted litigation and claims, and non-compliance with laws, regulations,
8 contractual obligations and grants.
- 9 2. Review with the County Internal Auditor the process for providing reasonable
10 assurance that management has adequate controls to minimize these risks and
11 exposures.
- 12 3. Review with the County Internal Auditor the existing information technology systems
13 and related security and controls.
- 14 4. Obtain regular updates from the County Internal Auditor regarding compliance matters
15 or issues.
- 16 5. Act as an advisor to the County Internal Auditor as the County Internal Auditor carries
17 out the audits that may include operational, compliance, performance, management and
18 other audits which are intended to provide reasonable assurance of achievement of
19 objectives in the following areas: Obtain and review such additional information as
20 deemed necessary to evaluate the adequacy and effectiveness of controls encompassing
21 the County's governance, operations, and information systems including:
 - 22 a. reliability and integrity of operational and related financial information,
 - 23 b. effectiveness, efficiency and economy of operations,
 - 24 c. safeguarding of assets, and
 - 25 d. compliance with laws, regulations, contracts and grants.
- 26 6. Ensure that any occurrences of possible fraud detected by the County Internal Auditor
27 have been handled pursuant to County policy including forwarding to the Office of the
28 Inspector General, Palm Beach County.

29 **C. Other Responsibilities.**

- 30 1. Discuss with and provide guidance to the County Internal Auditor regarding the
31 County's policies and procedures with respect to risk assessment and risk management.

1 By: _____ By: _____

2 Deputy Clerk Chair

3 (SEAL)

4 APPROVED AS TO FORM AND
5 LEGAL SUFFICIENCY

6 By: _____
7 County Attorney

8 Filed with the Department of State on the ____ day of _____, 2017.