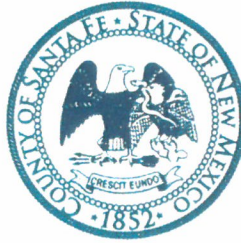


III. B. 1.

Henry P. Roybal
Commissioner, District 1

Anna Hansen
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Anna T. Hamilton
Commissioner, District 4

Ed Moreno
Commissioner, District 5

Katherine Miller
County Manager

Date: August 29, 2017

To: Board of County Commissioners

From: Tony Flores, Deputy County Manager

Via: Katherine Miller, County Manager

Subject: Appointment of a Finance Division Staff Member to the Santa Fe County Audit Committee (Finance Division/Don Moya)

Background and Summary

On November 6, 2016, the Board of County Commission (Board) amended and replaced Resolution 2011-80 by replacing attachment A, defining the purpose, functions, membership, structure and other requirements of the Santa Fe County Audit Committee.

The composition of the Audit Committee includes the requirement that the Board appoint a fourth non-voting member who shall be a staff representative from the County's Finance Division appointed by the BCC. At its first meeting on August 24, 2017, the three voting members of the Audit Committee considered the role and responsibilities of the fourth, non-voting member of the Audit Committee as well as the required qualifications as stated in Attachment A to Resolution 2016-127. Mr. Don Moya, Finance Director for Santa Fe County was nominated to fulfill the role of the fourth, non-voting member of the Audit Committee and was unanimously approved.

Recommendation

After careful consideration of the qualifications, role and responsibilities of the fourth non-voting member, The Santa Fe County Audit Committee is recommending the appointment of Mr. Moya as the Staff Representative from the County's Finance Division. Attachment A to Resolution 2016-127 states, "The first Staff Representative Member shall serve for a one (1) year term and may be reappointed for a subsequent term of one (1) year. Each subsequent Staff Member shall serve for a term of (1) year and may be reappointed for up to two consecutive terms of one (1) year each."

Exhibits:

A – Resolution 2016-17

SANTA FE COUNTY
RESOLUTION NO. 2016 - 127

**A RESOLUTION
AMENDING RESOLUTION NO. 2011-80 BY REPLACING
ATTACHMENT A DEFINING THE PURPOSE, FUNCTIONS,
MEMBERSHIP, STRUCTURE, AND OTHER REQUIREMENTS OF THE
SANTA FE COUNTY AUDIT COMMITTEE**

WHEREAS, on May 31, 2011, the Board of County Commissioners of Santa Fe County (BCC) adopted Resolution No. 2011-80, which established the Santa Fe County Audit Committee (Audit Committee); and

WHEREAS, Attachment A to Resolution No. 2011-80 defines the purpose, functions, membership, structure, and other requirements of the Audit Committee; and

WHEREAS, Attachment A to Resolution No. 2011-80 provides that it may be amended, rescinded, or superseded by the BCC at any time by a properly executed and recorded Resolution; and



WHEREAS, it is in the best interest of Santa Fe County to revise certain provisions of Attachment A to Resolution No. 2011-80 and add additional provisions.

NOW, THEREFORE, BE IT RESOLVED by the BCC that Attachment A to Resolution No. 2011-80 is hereby replaced and superseded in its entirety by Attachment A to this Resolution.

PASSED, APPROVED, AND ADOPTED this 8th day of November, 2016.

BOARD OF COUNTY COMMISSIONERS


Miguel M. Chavez, Chairperson



Geraldine Salazar, Santa Fe County Clerk

APPROVED AS TO FORM:

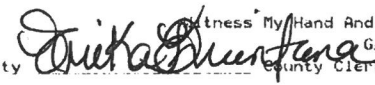

Gregory S. Shaffer, Santa Fe County Attorney



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
PAGES: 5

I Hereby Certify That This Instrument Was Filed for
Record On The 14TH Day Of November, 2016 at 03:34:42 PM
and Was Duly Recorded as Instrument # 1809571
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Deputy  Geraldine Salazar
County Clerk Santa Fe, NM

SEC CLERK RECORDED 11/14/2016

**Responsibilities and Requirements of the Santa Fe County Audit Committee
Adopted November 8, 2016**

Statement of Purpose

The purpose of the Santa Fe County Audit Committee (Audit Committee) is to perform a variety of financial oversight functions on behalf of Santa Fe County and its Board of County Commissioners (BCC), to ensure ongoing BCC involvement with internal controls and financial reporting, and to ensure that the financial reports presented by Santa Fe County are reliable and fairly present the County's financial position.

Core Functions

1. The Audit Committee will ensure that County management is maintaining a comprehensive framework of internal control, and that the established framework is adequate to protect the assets of Santa Fe County. The Committee will:
 - a. Review controls in areas of purchasing, accounts payable, accounts receivable, payroll, fixed assets and non-capital inventory, and cash and investments on a County-Wide or departmental level as determined to be necessary by the Audit Committee.
 - b. Report to the BCC on the adequacy of the internal control framework as appropriate.
 - c. Make recommendations for changes to the internal control framework, if deemed appropriate, and monitor implementation of adopted recommendations.
 - d. Take any other actions necessary to carry out this function.
2. The Audit Committee will ensure that the financial statements are properly audited and that any problems therein are disclosed and properly resolved. The Committee will:
 - a. Assist with the procurement of the independent public accountants to conduct the annual audit required by the Audit Act, including by assisting with the development of the audit contract scope of work and the selection process as deemed necessary.
 - b. Directly supervise the independent audit if deemed necessary because of management negligence or misconduct.
 - c. Review the financial statements and auditors' reports and assist the BCC in interpreting the audit report, including the opinion and findings and recommendations, as applicable.
 - d. Facilitate regular communication with the independent public accountants and the BCC to provide an avenue for detailed discussion of internal controls and other audit-related issues.
 - e. If need arises, discuss confidential personnel matters or pending or threatened litigation as they relate to any audit-related issues in an executive session of the BCC.
 - f. Ensure resolution of audit findings by making recommendations for corrective action and monitoring implementation of adopted recommendations.
 - g. Assess the performance of the independent auditing firm.
 - h. Take any other actions necessary to carry out this function.

SFC CLERK RECORDED 11/14/2016

3. The Audit Committee will oversee and review the internal audit function of the County as applicable. The Committee will:
 - a. Review any requests for internal audit to determine whether such internal audits should be conducted and, if so, whether it should be conducted by staff or a contractor.
 - b. Assist in the procurement of any contracted internal auditor, including by assisting with the development of the contract scope of work and the selection process as deemed necessary.
 - c. Provide a forum for internal auditors to report findings of management abuse or control override.
 - d. Review all internal audits and report to the BCC on the findings of the internal audit.
 - e. Ensure resolution of audit findings by making recommendations for corrective action and monitoring implementation of those recommendations.
 - f. Assess the performance of the internal auditing firm.
 - g. Take any other actions necessary to carry out this function.
4. The Audit Committee will assess financial reporting practices to ensure that financial statements are reliable and fairly present the financial position of the County. The Committee will:
 - a. Discuss reporting practices with the independent public accountants to determine suitability and compliance, as needed.
 - b. Report to the BCC on the adequacy of financial reporting practices, as needed.
 - c. Make recommendations for changes to the current methods of financial reporting, if deemed appropriate, and monitor implementation of adopted recommendations.
 - d. Any other actions necessary to carry out this function.

Audit Committee Membership and Structure

The Audit Committee will be composed of three voting members and one non-voting member. Two of the voting members shall be members of the BCC appointed by the BCC. The third voting member shall be a citizen of the County appointed by the BCC. The non-voting member shall be a staff representative from the County's Finance Division appointed by the BCC. Audit Committee members shall meet the following qualifications.

Qualifications – BCC Members-

1. A sufficient level of financial literacy to perform each core function as stated above.
2. Ability to deliberate meaningfully on any issue likely to be brought before the Audit Committee with the assistance of a financial expert.
3. Ability to exercise an appropriate degree of "professional skepticism" when dealing with any audit-related issues.

Qualifications – Citizen Member

1. Specific expertise in governmental accounting, auditing, financial reporting or internal controls; a Certified Public Accountant is preferred but not required.
2. Ability to exercise an appropriate degree of "professional skepticism" when dealing with any audit related issue.
3. Appointee must not have any financial interest in any entity doing business with the County, any conflict of interest with an entity doing business with the County, or have an immediate

family member (as defined in the most current version of Santa Fe County Human Resources Handbook) employed in a financial capacity at Santa Fe County or serving as a volunteer in any capacity with Santa Fe County that would potentially be the subject of a financial audit.

Qualifications – Staff Representative

1. Knowledge of multiple processes within the financial structure of the County.
2. Ability to function as a subject matter expert to advise and assist the voting members of the Audit Committee.
3. Ability to exercise an appropriate degree of “professional skepticism” when advising the Audit Committee and other members of the BCC.
4. Must be able to maintain confidentiality when exposed to information about County employees or Elected Officials.

All members must adhere to the requirements of the Code of Conduct Ordinance No. 2010-12.

The members of the Audit Committee shall serve on staggered terms according to the following schedule:

1. BCC Member One shall serve for an initial term of two (2) years and may be reappointed to serve for one subsequent term of two (2) years.
2. BCC Member Two shall serve for an initial term of one (1) year, and may be reappointed to serve for one subsequent term of two (2) years.
3. The Citizen Member first appointed after the effective date of this Attachment A shall serve for a term of three (3) years but may not serve a subsequent term. Thereafter, a Citizen Member shall serve a two (2) year term and may be reappointed for one subsequent term of two (2) years.
4. The first Staff Representative Member shall serve for a one (1) year term and may be reappointed for a subsequent term of one (1) year. Each subsequent Staff Representative Member shall serve for a term of one (1) year and may be reappointed for up to two consecutive terms of one (1) year each.
5. Audit Committee members shall serve at the pleasure of the body that appointed the member. In addition, an Audit Committee member shall be deemed to have resigned upon missing two consecutive meetings of the Audit Committee.
6. A vacancy due to the resignation or removal of an Audit Committee member shall be filled as soon as possible. The new member shall complete the term of the departing member and may be reappointed to subsequent terms, as set forth above.

The Audit Committee shall hold four regularly scheduled meetings per year and may hold special meetings as needed. At a minimum, meetings must be held according to the following:

1. Two voting members shall constitute a quorum.
2. One meeting shall be at the start of the annual audit process in approximately July of each year to discuss audit-related matters with the independent auditing firm.
3. One meeting shall be at the completion of the annual audit process in approximately October of each year to discuss audit-related matters with the independent public accountants as well as any findings in the audit report. This meeting should be outside the presence of management and may be held outside the presence of the Staff Representative

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Member if deemed appropriate by either the independent public accountants or the voting members the Committee.

4. The Audit Committee may require the presence of any County employee or Elected Official at any of its meetings.
5. At each meeting of the Audit Committee, the Staff Representative Member shall leave the meeting so as to afford time for confidential discussion and action among voting members. This requirement may be waived at any meeting by a majority of the voting members.

Work Plan

The Audit Committee may propose, and the BCC may approve, a work plan for the upcoming calendar year or any other period of time. The work plan shall include a list of tasks to be addressed by the Audit Committee during the period covered by the work plan along with a delivery schedule of updates, reports, and other deliverables. The Audit Committee may request that the BCC amend the approved work plan at any time. If a work plan is approved as provided for herein, the Audit Committee shall update the BCC in accordance with the work plan.

Evaluation and Reporting Requirements

The Audit Committee shall review its responsibilities and requirements on a periodic basis, but no less frequently than once every five years, to ensure that they meet the needs of the County, and to ensure ongoing adequacy of the core functions and structure. Such a review should specifically address changes needed as a result of changes in laws, regulations and professional standards as may occur from time to time.

The Audit Committee shall provide a report to the BCC following the completion of the annual independent audit and official release by the NM Office of the State Auditor. At a minimum, the report should provide information about the audit, including the financial statements, the conduct of the auditing firm, any findings brought to the Audit Committee's attention, the management response to those findings, and any corrective actions to be undertaken. Finally, the report should put forth proposed changes to the core functions of the Audit Committee, if any, with an explanation as to why the change is needed. This report shall become a matter of public record.

The Audit Committee may also provide updates to the BCC at any other time as deemed necessary. These updates may be verbal or in writing and shall be a matter of public record.

The Responsibilities and Requirements of the Santa Fe County Audit Committee may be amended, rescinded, or superseded by the Santa Fe County BCC at any time by a properly executed and recorded Resolution.