

Affidavit of Publication

STATE OF NEVADA,
County of Washoe—SS.

Mary Hefling

being duly sworn, deposes and says that he is the

Record Clerk

of The SPARKS TRIBUNE, a weekly newspaper,
published in Sparks, Washoe County, Nevada; that
he has charge of and knows the advertising ap-
pearing in said newspaper, and the

Notice of County Ordinance

Bill No. 676

Ordinance No. 505

of which a copy is hereunto attached, was first
published in said newspaper in its issue dated

November 4, 1981

and was published in each of the following issues

thereafter: November 11, 1981

the date of the last publication being in the issue

of November 11, 1981

Mary Hefling

Subscribed and sworn to before me this, the


11th day of November, 1981

Loretta Dickerson

Notary Public in and for the County of Washoe,
State of Nevada.

My Commission expires: October 25, 1984

**NOTICE OF COUNTY OR-
DINANCE**
NOTICE IS HEREBY
GIVEN that Bill No. 676,
Ordinance No. 505, entitled, "An
Ordinance creating the Washoe
County Audit Committee;
providing for the appointment of
members and their terms;
setting forth objectives and the
role and scope of activities of the
Audit Committee; establishing
the position of Internal Auditors;
setting forth the objectives, role
and scope of activities of the
Internal Auditor; establishing
professional standards for the
Internal Auditor; and providing
other matters properly relating
thereto" was adopted on October
27, 1981, by Commissioners Farr,
Ferrari, Underwood, Brown and
Williams.
Typewritten copies of the
Ordinance are available for
inspection by all interested
persons at the office of the
County Clerk.
Judy Baily, County Clerk
Pub: Nov. 4, 11, 1981

 LORETTA DICKERSON
Notary Public - State of Nevada
Washoe County
My Appointment Expires Oct. 25, 1984

SUMMARY--Establishes an audit committee and sets forth its objectives, role and scope of activities; sets forth the objectives, role and scope of activities of the internal auditor.

BILL NO. 676

ORDINANCE NO. 505

AN ORDINANCE CREATING THE WASHOE COUNTY AUDIT COMMITTEE; PROVIDING FOR THE APPOINTMENT OF MEMBERS AND THEIR TERMS; SETTING FORTH OBJECTIVES AND THE ROLE AND SCOPE OF ACTIVITIES OF THE AUDIT COMMITTEE; ESTABLISHING THE POSITION OF INTERNAL AUDITOR; SETTING FORTH THE OBJECTIVES, ROLE AND SCOPE OF ACTIVITIES OF THE INTERNAL AUDITOR; ESTABLISHING PROFESSIONAL STANDARDS FOR THE INTERNAL AUDITOR; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF WASHOE DO ORDAIN:

SECTION 1. Declaration of Purpose.

The Board of County Commissioners of Washoe County hereby declares that the public interest is served by documenting the responsibilities and establishing procedures to assure accountability of public assets and funds and that this can best be accomplished by the establishment of an internal auditor position and an audit committee to evaluate and report on the operating controls and financial accountability of Washoe County government.

SECTION 2. Creates Audit Committee.

There is hereby created the Washoe County Audit Committee.

SECTION 3. Appointment of Members; Membership.

The Board of County Commissioners shall appoint 7 persons to serve as members of the audit committee. Two members shall be Washoe County Commissioners; one member shall be a Washoe County elected officer; two members shall be representatives of the general public and two members shall be Washoe County officers or employees.

SECTION 4. Term.

At the time of the initial appointment of members of the Audit Committee, four members shall be appointed for a term of one year and three members shall be appointed for a term of two years. Thereafter, all appointments shall be for a term of two years.

A Washoe County Commissioner shall cease to be a member of the

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Audit Committee at such time as he or she ceases to be a County Commissioner. Another County Commissioner shall be appointed to serve out the remainder of the term.

SECTION 5. Meetings; Quorum; Minutes.

The audit committee shall meet quarterly and at such other times as business may require at the call of the chairman of the committee or any 3 members. A majority of the members of the committee shall constitute a quorum.

SECTION 6. Objectives.

(a) The audit committee shall annually report to the board of County Commissioners on:

- (1) The adequacy of the audit effort by both the external auditor and the internal auditor;
- (2) The accounting policies adopted by management;
- (3) The adequacy of disclosure of information essential for a fair presentation of the financial affairs of the County and its departments;
- (4) The quality of the County system of financial management and internal accounting control; and
- (5) The adequacy of operational controls to identify inefficient, ineffective or illegal practices.

(b) The audit committee shall report to the County Manager from time to time concerning its activities and recommendations.

SECTION 7. Role and Scope of Activities.

(a) The audit committee shall:

- (1) Review annual financial statements with the County's external auditor prior to their submission to the Board of County Commissioners to determine if the external auditor is satisfied with the disclosures and the content of the statements and to obtain sufficient information from them to facilitate analysis of the statement submitted to the Board of County Commissioners.
- (2) Evaluate the effectiveness of the external audit effort including the audit approach and scope of examination.

(3) Evaluate the effectiveness of the internal audit effort including the overall approach and scope of the internal audit operations with attention focused on areas which either the committee, the external auditor or the internal auditor indicate require special emphasis.

(4) Determine, through discussions with both the external auditor and the internal auditor that no restrictions have been placed on the scope of their examinations.

(5) Inquire into the effectiveness of the County's management of financial and accounting functions through discussions with the external auditor and the internal auditor and appropriate officers of the County.

(6) Review reports prepared by the external auditor and County staff discussing weaknesses in internal control, organizational structure and operations.

(7) Recommend the appointment of the external auditor for the next ensuing fiscal year and make recommendations as to the independent auditor's fee.

- (b) The above activities of the audit committee are by way of illustration, and not for the purpose of limitation.

SECTION 8. Internal Auditor.

The position of internal auditor and such other positions as may be authorized by the Board of County Commissioners, shall be classified positions established as a division of the Washoe County Manager's Office.

SECTION 9. Internal Auditor; Objectives.

The objective of the internal auditing program is to assist Washoe County officers in the effective discharge of their responsibilities by furnishing analyses, appraisals, recommendations and pertinent comments concerning the activities and operations reviewed, unless otherwise directed.

SECTION 10. Internal Auditor; Role and Scope of Activities.

- (a) The internal auditor shall:

(1) Review and appraise the soundness, adequacy and application of accounting, financial and other

operating controls and promote effective control at reasonable cost;

(2) Ascertain the extent of compliance with established laws, regulations, policies, and procedures;

(3) Ascertain the extent to which the County assets are accounted for and safeguarded from losses of all kinds;

- (b) The internal auditor may perform such other functions and make such other recommendations as may be necessary or desirable to evaluate the operating controls and improve the efficiency of the County's financial control functions.

SECTION 11. Professional Standards.

Except as otherwise specifically provided in this Ordinance, the internal auditor shall be governed by the Standards for the Professional Practice of Internal Auditing adopted by the Institute of Internal Auditors, Inc. as the same are currently set forth and from time to time amended.

SECTION 12. Internal Audit Reports.

- (a) The Internal Auditor shall provide the County Manager with copies of all internal audit reports.
- (b) The County Manager shall:
- (1) After reviewing each report, transmit copies of such report, together with any comments which he deems appropriate, to the Audit Committee; and
 - (2) Follow-up to ascertain that appropriate action is taken on reported audit findings and recommendations.
- (c) The Audit Committee shall forward to the Board of County Commissioners only copies of those audit reports which it deems worthy of Board attention.

SECTION 13. Cooperation of county officers, employees, and others receiving County funds.

It shall be the duty of every elected and appointed county officer or employee, and every department, agency, organization, association or individual receiving monies appropriated by the Board of County Commissioners, to cooperate with and assist the audit committee and the internal auditor in the performance of their functions. Such cooperation and assistance

shall include, but is not limited to, the furnishing of all information deemed necessary or desirable by the audit committee or the internal auditor to carry out their objectives as set forth in this ordinance.

Proposed on the 13th day of October, 1981.

Proposed by Commissioners Farr, Ferrari, Underwood, Brown & Williams.

Passed on the 27th day of October, 1981.

Vote:

Ayes: Commissioners: Farr, Ferrari, Underwood, Brown & Williams

Nays: Commissioners: None

Absent: Commissioners: None



Chairman of the Board

ATTEST:



County Clerk

This Ordinance shall be in force and effect from and after the 11th day of November, 1981.