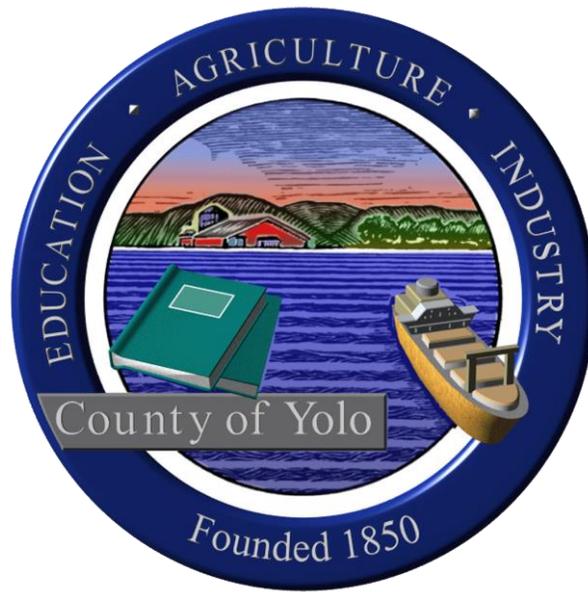


# Yolo County Financial Oversight Committee Charter



FINAL  
January 23, 2015

## Article I

### Introduction

The government representatives of Yolo County are held publicly accountable for the proper utilization, custody and distribution of resources as the assigned fiscal agents of County funds by taxpayers and other stakeholders. This fiscal accountability is demonstrated through the monitoring and assurance of good systems of control, budgetary compliance, accurate and timely financial reporting, continuous monitoring and oversight reviews, and timely follow-up on audit findings and recommendations.

Measure H was passed by the county voters in 2012 to consolidate the elected offices of Auditor, Controller, Treasurer, Tax Collector and other financial planning functions into one county department under the direction of an appointed Chief Financial Officer (CFO). Elected offices and separation of duties and control functions provided assurance of accountability which now need to be maintained through other means. With this purpose in mind, and in accordance with Measure H, the Board of Supervisors established the Yolo County Financial Oversight Committee (FOC). The FOC replaces the existing Treasury Oversight Committee, performing those duties pursuant to California Government Code Section 27130, and the existing Audit Committee, thereby providing leadership with independence over continuous monitoring, audits, and reviews of the County's business activity, processes and transactions. Additionally, the FOC ensures oversight for the monitoring and review of the property tax distribution process, and the accountability and transparency over budget compliance.

## Article II

### Authority

The FOC has the authority to perform all statutory duties of a treasury oversight committee and to initiate or authorize review of any matters within its scope of responsibility. The FOC performs all of its duties in an advisory role to the Board of Supervisors and its chairperson has a direct communication with the Board of Supervisors. The FOC shall have no direct authority over the CFO or any County officer or staff regarding County financial operations. However, the FOC will have operational and functional oversight authority over the Internal Audit Office as necessary. The Internal Audit Office will report to the CFO administratively.

## Article III

### Purpose

The purpose of the FOC is to provide oversight on treasury operations, deliver leadership and independence over the monitoring, review and audit of the County's business activities; and provide oversight that helps to further ensure accountability and transparency over the budgetary and tax distribution processes to further demonstrate good stewardship of public resources.

## Article IV

### Membership

#### *A. Membership Categories*

##### 1. Voting Members

- a. Two members of the Board of Supervisors
- b. Yolo County Superintendent of the Office of Education or designee
- c. City Council member or employee of a city within Yolo County
- d. Board member or employee of any special district in the County
- e. Two members of the public residing in the County of Yolo

The two representatives of the Board of Supervisors are the members who also make-up the Audit and Finance Subcommittee of the Board.

Members shall be nominated by the CFO, County Administrator or Board members and confirmed by the Board of Supervisors. All members will serve three-year terms. Members may serve additional three-year terms at the pleasure of the Board of Supervisors.

Each committee member is to be both independent and financially literate. At least one member shall have financial expertise. Independent in this context means devoid of any potential conflict of interest, such as described in Section VIII.

##### 2. Non-voting Members

The County Administrator and CFO, or their designees, participate on the FOC in an advisory capacity.

#### *B. Power and Duties of Members and Officers*

1. The Committee may not direct individual investment decisions, tax allocation or budgetary decisions, nor impinge on the day-to-day operations of the Department of Financial Services.
2. A Chair and Vice Chair shall initially be elected for a one-year term, which may be extended by a favorable vote of a majority of members.
3. At the last regular meeting of the calendar year, the Committee will select a Chair and Vice Chair to serve for the following calendar year.
4. The Chair's duties include presiding over all Committee meetings, responding to members' requests for information, signing communications on behalf of the Committee, and representing the Committee before the Board of Supervisors, subject to the approval of the Committee members.
5. The Chair shall preside over the meetings. In the absence of the Chair, the Vice Chair shall preside. In the event that neither is available, the Chair shall select a Chair pro-tem to serve in their absence.
6. The Chair shall preserve order at the meetings.

#### *C. Resignation*

A resignation from a Committee member may be submitted at any time by giving written notice to the Clerk of the Board. Any such resignation shall be effective upon submission, or upon such later date as is specified in the resignation if such date is not more than sixty (60) days after the date of submission.

#### *D. Removal*

A member of the FOC may be removed from their post by action of the Board of Supervisors. Three consecutive unexcused absences constitute sufficient ground for automatic removal from the Committee.

#### *E. Filling Vacancies*

Vacancies occurring during the terms of appointment shall be filled as soon as practicable, as determined by the category of the Committee member position that is vacant. The CFO shall seek recommendations from Committee members and any other appropriate sources to fill vacancies occurring on the Committee.

#### *F. Compensation*

FOC members serve without compensation.

#### *G. Training*

The CFO shall provide sufficient training to Committee members during the regular meetings or at other times and locations as necessary.

### Article V

#### Responsibilities and Duties

##### *A. General*

The primary responsibility of the FOC is to help ensure the highest level of public accountability and transparency within Yolo County financial systems, by serving as an advisory committee to the Yolo County Board of Supervisors. This advisory responsibility is fulfilled through recommendations to the Board of Supervisors regarding the areas of responsibilities described in this section. This responsibility includes providing regular updates on Committee activities to the Board of Supervisors.

Advisory responsibilities preclude the Committee and its members from participating in decision making or influencing decisions concerning the operations of the Department of Financial Services.

##### *B. Financial and Audit Oversight*

In addition to the general responsibilities listed above the FOC is specifically empowered to recommend, and oversee the work of, the public accounting firm employed by the County to perform the annual audit and Single Audit. To fulfill this duty, Committee members may:

1. Review significant accounting and financial reporting issues that affect County financial statements, including recent state laws, professional and regulatory pronouncements;
2. Participate in the selection of the independent audit firm which will conduct the annual financial audit and Single Audit, in accordance with state laws and auditing standards;
3. Review the scope and timing of the annual financial Audit and Single Audit;
4. Meet with the independent auditors at their request;
5. Review the results of the annual financial audit and Single Audit;

6. Review the results and adequacy of follow-up actions necessary on audits conducted by any external auditors or regulatory auditors on any of the County's activities, programs, transactions, or functions;
7. Review the results of the countywide risk assessments and consider the effectiveness of the internal control system to mitigate identified risks;
8. Review the scope and effectiveness of internal audit activity in concert with the CFO; and
9. Ensure that timely monitoring, and the resolution of audit findings and recommendations are performed.

### *C. Treasury Oversight*

In relation to its oversight responsibilities over the county treasury, members of the committee shall:

1. Annually review and ensure timely monitoring of the Yolo County Investment Policy proposed by the CFO is performed;
2. Cause an annual audit to determine the county treasurer's compliance with the Investment Policy and relevant codes;
3. Review audits performed on treasury operations; and
4. Review the quarterly investment performance of the treasurer's pool.

### *D. Budget Accountability Oversight*

Committee members ensure that timely reviews of internal controls are performed to further support accountability and transparency over the budget, and in this regard may:

1. Review the adopted budget and any subsequent amendments to help ensure compliance with the County Budget Act (California Government Code) and the County Budget Guide issued by the State Controller;
2. Review budgetary monitor reports; and
3. Review budget to actual reconciliation at year-end.

### *E. Tax Allocation Oversight*

As the acting oversight authority over property tax allocation matters, member may review the internal controls over the property tax distribution activities, transactions, and processes to further ensure compliance with the Revenue and Taxation Code, and with state regulations in an equitable manner with regard to all taxing entities.

## Article VI

### Meetings

#### *A. Attendance*

All members are expected to attend all regularly scheduled committee meetings. A call or other communication to the CFO prior to a regularly scheduled meeting or anticipating an absence in advance notice from a meeting, would constitute an excused absence.

## *B. Meetings*

1. Regular meetings of the FOC shall occur as determined by the Committee. In no event shall the Committee meet less than once every three (3) months.
  - a. The Committee must also meet twice annually with the independent auditors, in the beginning and at the conclusion of each audit. These meetings may be scheduled separately or occur as part of the quarterly meetings.
2. Special meetings may be called by the Chair or at the written request of two or more Committee members.
  - a. All Committee members shall be provided with a written agenda 24 hours in advance of the meeting and the agenda shall be posted in appropriate locations. The agenda shall state the time, place, and business to be transacted at the meeting, and no other business shall be considered at the special meeting.

## *C. Convening Meetings*

The meeting agenda shall be posted and delivered to the Committee at least 72 hours in advance. Only items included in the agenda may be discussed and considered. The Committee may discuss a non-agenda item at a regular meeting if pursuant to Government Code Section 54954.2 (b) (2), upon determination by a two-thirds vote of the members, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Committee subsequent to the agenda being posted.

## *D. Open Meetings*

All Committee meetings are open to the public and are subject to the Ralph M. Brown Act (Title 5, Division 2, Part 1, Chapter 9, commencing with Section 54950). The public will be given the opportunity to be heard and make comments at the end of each meeting open to the public.

## *E. Quorum*

A quorum for meetings of the Committee shall consist of not less than one-half (1/2) of the currently appointed members. A majority vote of the members present shall be required for any motion, resolution, or other action.

Except for the public members, each member may designate an alternative member to have all the power of a voting member in his or her absence.

## *F. Staff Support*

1. The CFO shall cause minutes of all meetings to be recorded in sufficient detail to allow adequate follow-up.
2. The CFO shall work with the Chair to develop the meeting agendas.
3. As required and to the extent possible, county staff will provide technical and administrative support to the Committee.

## Article VII

### Parliamentary Procedure

The committee meetings shall be governed by Roberts' Rules of Order, the Modern Edition, and the Chair shall decide questions of order (unless overridden by a simple majority of the members present) consistent with such rules.

## Article VIII

### Conflict of Interest

- A.* Each Committee member will be required to complete and file an "Application for Nomination and Affidavit of Understanding" with the CFO in a timely manner. Failure to do so may invalidate Committee membership. Further, if any Committee member is found in breach of the requirements or in violation of the understandings, they must resign from this Committee.
- B.* A Committee member may not be employed by an entity that has contributed to the campaign of a candidate of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Committee.
- C.* A committee member may not directly or indirectly raise money for a candidate for a member of the governing board of any local agency that has deposited funds in the county treasury while a member of the Committee.
- D.* The member of the Committee may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms with whom the county treasurer is doing business during the period that the person is a member of the Committee or for one year after leaving the Committee.
- E.* Committee members who had any supervisory responsibility over any program under audit and that is the subject of discussion shall recuse themselves during that part of the discussion.

## Article IX

### Amendment of Committee Charter

Proposed amendments to the committee charter must be delivered at least 72 hours in advance of a regular or special meeting to every member. Amendments require a simple majority vote of those present and voting for passage.

Article X

Adoption, Approval, Acknowledgements, and Acceptance of the Charter

The signatures below signify adoption by the Chair of the Committee, approval of the Board of Supervisors, acknowledgement by Committee Members, and acceptance by the Chief Financial Officer.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**Matt Rexroad**  
Chair of the Board of Supervisors

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**XXXXXXXXXXXXXX**  
Chair of Finance Oversight Committee

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Duane Chamberlain  
Committee Member Board of Supervisor

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**XXXXXXXXXXXXXXXXXX**  
Committee Member City of Yolo County

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**XXXXXXXXXXXXXXXXXX**  
Committee Member County Superintendent of Schools

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**XXXXXXXXXXXXXXXXXX**  
Committee Member Special District of Yolo County

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**XXXXXXXXXXXXXXXXXX**  
Committee Member Public of Yolo County

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**XXXXXXXXXXXXXXXXXX**  
Committee Member Public of Yolo County

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**Howard Newens, CIA, CPA**  
Chief Financial Officer