

**AUDIT WORKSHOP**

**DECEMBER 15, 2017**



# CALENDAR

January-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
27	29	30	31			

June-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

December-2017						
SUN	MON	TUES	WED	THUR	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Holidays
  Meetings
  Conferences

## **Audit Workshop Agenda**

Florida Keys Mosquito Control District  
Marathon Office  
503 107<sup>TH</sup> Street  
Marathon, FL

**December 15, 2017**  
**9:00 am**

- 1.) Call to Order**
- 2.) Invocation and Salute to Flag**
- 3.) Roll Call**
- 4.) Approval of Agenda**
- 5.) Purpose of Workshop:** Chairman Goodman announces that this Workshop has been called for the purpose of discussing the operations of the Audit Committee.  
**Proposed Changes - Pages 4 - 8**  
**Current Policy - Pages 9 - 12**
- 6.) Meeting Adjourned**

*PROPOSED CHANGES*

BOARD OF COMMISSIONERS OF THE  
FLORIDA KEYS MOSQUITO  
CONTROL DISTRICT  
AUDIT COMMITTEE CHARTER

Effective Date: July 24, 2006  
Revision Dates: February 21, 2017  
December 15, 2017

## Purpose

The Audit Committee is a committee of the Board of Commissioners assigned with the responsibility of assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, the systems of internal control which management and the Board have **established, the audit process, and the Florida Keys Mosquito Control District's process of** monitoring compliance with the laws and regulations. It is therefore the responsibility of the Audit Committee to provide an open avenue of communication between the Board of Commissioners, management, and the independent external auditors. It is also the responsibility of the Audit Committee to provide a forum separate from management in which auditors and other interested parties can express concerns.

## Organization

- The Board representatives for the Audit Committee shall be elected every year by the Board of Commissioners at the January board meeting.
- The Audit Committee shall consist of at least ~~two~~ three members of the Board of Commissioners, ~~the District's Director, Finance Director, and managing auditor of the firm undertaking the audit~~ and at least one member, either appointed or contracted, who is not a Board Member or regular staff of the Florida Keys Mosquito Control District.
- The Board shall endeavor to ensure that at least one member of the Committee is deemed to be a recognized financial expert in the government sector, meaning that he or she possesses:
  1. an understanding of generally accepted accounting principles and financial statements;
  2. experience in preparing or auditing financial statements of comparing entities;
  3. experience in applying such principles in connection with the accounting for estimates, accruals, and reserves;
  4. experience with internal accounting controls; and  
an understanding of audit committee functions.
- If none of the Board of Commissioners or appointed members possess the skills of a recognized financial expert in the government sector, as described directly above, then the Board shall consider contracting with an individual with the prescribed requirements to serve on the Committee.
- The Committee shall determine who will serve as Committee Chair.
- The Audit Committee shall meet regularly at such time and place, as the Committee shall determine.
- The Chair shall, in consultation with other Committee members, set the agenda for, and preside at, meetings of the Committee.
- The Audit Committee meetings shall be in accordance with Florida Statute, Chapter 286.011, i.e., Sunshine Laws.

## Authority

In meeting its responsibilities, the Audit Committee shall:

- Recommend to the Board the initiation of investigations into any matters within its scope of responsibilities with unrestricted access to members of management, and relevant information.
- May obtain the services of general counsel, and the external auditors to assist in the conduct of any investigation.
- Report Committee actions to the Board of Commissioners with recommendations, as the Committee may deem appropriate.
- The Committee shall review with the independent auditor any management letter **provided by the independent auditor and management's response to that letter.**
- The Committee shall review with the independent auditor audit problems or difficulties encountered by the independent auditor in the course of its annual audit **work, and management's response.**
- The Committee shall conduct an annual evaluation of its performance and shall report the results of such review to the Board. In connection with the annual review, the Committee shall also recommend to the Board any modifications to this Charter that the Committee deems necessary or appropriate. ~~The Committee and management shall determine the format of the self-assessment.~~

## Responsibilities

The Audit Committee will carry out the following responsibilities:

### Financial Reporting

- Review with management and the independent external auditors all significant accounting and reporting issues, including unusual transactions and highly judgmental areas.
- Review with management and the independent external auditors all recent professional and regulatory pronouncements and how they impact the financial statements.
- Review with management and the independent external auditors at the completion of the annual audit:
  - **The District's annual financial statements and related disclosures, and** consider whether they are complete, consistent with information known to the Committee, and reflect appropriate generally accepted accounting principles.
  - The independent external **auditor's audit of the financial statements and** their report.
  - **Any significant changes required in the independent auditor's audit plan.**
  - Any difficulties or disputes with management encountered during the audit.

- Other matters related to conduct, which should be communicated to the Committee under generally accepted auditing standards.

### Internal Controls and Risk Assessment

- **Review and evaluate the effectiveness of the District's process for assessing significant risks or exposures and the steps management has taken to monitor and control such risks.**
- Consider and review with management the independent external audit function:
  - **The effectiveness of, or weakness in, the District's internal controls,** including the status and adequacy of information systems security and control.
  - Any related significant findings and recommendations of the **independent external auditors together with management's** responses including the timetable for implementation of recommendations to correct weaknesses in the internal controls.

### External Audit

- Review the scope and approach of the annual audit with independent external auditors as detailed in the engagement letter.
- Consider and review with the independent external auditor:
  - **Significant findings and management's responses including timetable** for implementation to correct weaknesses.
  - Any difficulties encountered in the course of the audit such as restrictions on audit scope or access to information.
  - Any changes required in the planned scope of the audit plan.

### Budget and Operations Review

- Monitor the budget process and recommend any improvements thereto.
- Review operations for the best practices after consideration of input from employees, management, and other concerned persons.

### Compliance with Laws and Regulations

- Ascertain whether the District has an effective process for determining risks and exposure from asserted and unasserted litigation and claims from noncompliance with laws and regulations.
- Review with general counsel and external auditor any legal or regulatory matters **that may have a material impact on the District's operations and the financial statements.**
- Review the findings of any examinations by regulatory agencies, and auditor observations.

## Reporting

- Regularly report to the Board of Commissioners about Committee activities, issues and related recommendations.
- Provide an open avenue of communication between the Board of Commissioners, management and the independent external auditors.

## Other

- Perform other activities related to this charter as requested by the Board of Commissioners.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Committee Charter on an annual basis.



*CURRENT POLICY*

BOARD OF COMMISSIONERS OF THE

FLORIDA KEYS MOSQUITO  
CONTROL DISTRICT

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modifications to this Charter that the Committee deems necessary or appropriate. The Committee and management shall determine the format of the self-assessment.

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