

2/6/07 #48

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CLERK OF THE BOARD  
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# MEMORANDUM

TO: Darlene Bloom, Clerk of the Board  
 FROM: John M.W. Moorlach, Supervisor, Second District *mm*  
 DATE: January 31, 2007  
 RE: ASR Proposal  
 CC: Board of Supervisors; CEO; County Counsel (Ben de Mayo)

Please substitute the enclosed proposed Resolution for Agenda Item 48, and please re-distribute the memo and revised resolution to Board Offices, CEO & County Counsel.

**[PROPOSED] RESOLUTION OF THE BOARD OF SUPERVISORS  
ORANGE COUNTY, CALIFORNIA  
February \_\_, 2007**

On motion of Supervisor Moorlach, duly seconded and carried, the following Resolution was adopted:

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby:

1. This Resolution supersedes Board Resolution No. 95-271, dated April 25, 1995, and any amendments thereto;
2. Effective March 1, 2007, the Internal Audit Unit shall be under the direct supervision of the Auditor-Controller, reporting directly to the Auditor-Controller, to perform the biennial audits of all County Officers, other than of the Auditor-Controller, required by California Government Code Section 25250;
3. Authorize the Internal Audit Unit to perform the Auditor-Controller's legally required audits, as directed by the Auditor-Controller;
4. Continue the Audit Oversight Committee, consisting of the following members: the Treasurer-Tax Collector, the Chief Executive Officer (CEO), and five (5) public members to be appointed by the Board of Supervisors and who have experience in accounting and auditing;
5. The Board of Supervisors does direct this Committee to act in an oversight capacity of internal audit activities, including approval, of the annual audit plan submitted by the Auditor-Controller;
6. Direct staff to, in the preparation of the Fiscal Year 2007-08 budget, include the Internal Audit Unit within the Auditor-Controller department budget..
7. Direct the CEO and the Auditor-Controller to effect the transfer of internal audit responsibilities and staff to the Auditor-Controller's Office from the Internal Audit Unit, including specific actions as follows:
8. The Auditor-Controller's office shall be audited annually. Such audit shall be conducted at the time of the annual CAFR audit, and shall be conducted by such external auditor as the Board of Supervisors shall select. Such external auditor shall review reports, working papers, and all documents it shall consider necessary from key audits in order to verify that the audit work has been performed in accordance with generally accepted auditing standards;

9. The Director of Internal Audit (Class Code 7840E2) shall be appointed by the Auditor-Controller. The Director of Internal Audits shall report directly to the Auditor-Controller. All other aspects of the Auditor-Controller's office shall report through the Chief Assistant Auditor Controller. No person other than the Auditor-Controller shall have the authority to direct the Director of Internal Audits or any staff person within the Internal Audit Department. The Auditor-Controller shall have the sole authority to assign employees of the Auditor-Controller to any function within the Internal Audit Department or within any other department of the Auditor-Controller to most efficiently utilize resources;
10. The Audit Oversight Committee bylaws are amended in a form to be attached to these minutes, reflecting the composition set forth in Paragraph 4 of this Resolution.