



To: Audit Committee Members

From: Katelyn Kleidosty, Internal Audit Manager
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Date: June 13, 2024

Subject: Washoe County Code Chapter 15 Changes

On October 9, 2018, the Board of County Commissioners approved the County Manager's request through the Washoe County Clerk and pursuant to Washoe County Code ("WCC") 2.030, to initiate amendments to the Washoe County Code (Chapter 15 - County Finances; Purchasing and various sections) and to direct the County Clerk to submit the request to the District Attorney's Office for preparation of the proposed ordinances in accordance with WCC 2.040.

On May 28, 2024, the Board of County Commissioners approved the following changes to WCC chapter 15 applicable to internal/external audits, the Audit Committee, and the Board of County Commissioners participation:

- Provides name for external auditors as independent external auditors to be used in Chapter 15.
- Clarifies that only the Board of County Commissioners may hire independent external auditors to audit offices, agencies, or departments headed by elected officials.
- Removes requirement for hourly contracts with independent external auditors.
- Makes functions of independent external auditors its own code section.
- Changes annual appropriation for independent external auditors to Comptroller instead of County Manager.
- Clarifies that the Audit Committee will review audits from independent external auditors rather than review performance of the independent external auditor.
- Specifies that the Audit Committee will have at least two members from the public and that all members from the public must have understanding and experience in accounting principles, financial statements, internal accounting controls, auditing of financial statements, and Audit Committee functions.
- Relocates language indicating that Audit Committee members shall be independent and shall not accept any consulting, advisory, or other compensatory fee from the County and shall not be an affiliated person with the County or any subsidiary thereof.

- Adds that current and former Washoe County employees may not serve as public representatives on the Audit Committee.
- Adds a section outlining appointment and terms of service on the Audit Committee. Audit Committee members are appointed by the Board of County Commissioners for four-year terms. Public members may serve two terms and are eligible for another term only if there are not any other interested and qualified applicants.
- Modifies language in the officer section regarding chair and vice-chair and their respective terms.
- Adds a clarification that a simple majority of voting members is needed to conduct business.
- Adds language indicating that a public member of the Audit Committee serves at the pleasure of the Board of County Commissioners and may be removed for cause.
- Modifies the County Manager's role in ensuring proper briefings and preparation for the Audit Committee.
- Combines sections about the charter and code of ethics to simplify the sections.
- Modifies a section about audit schedules. A one-year schedule must be submitted annually to the Board of County Commissioners. The audit schedule may be amended by the Audit Committee with approval from the Board of County Commissioners.
- Removes unnecessary language in special audit section.
- Adds language about access to records and property for audits.
- Removes language about not including findings and recommendations for statutory duties and responsibilities for elected departments.
- Requires an audited department or office to respond to an internal audit.
- Removes language allowing an audit's release without inclusion of a response.
- Changes the requirement to keep an audit to at least three years instead of permanent retention.

A copy of the approved changes for WCC chapter 15 will be provided to the Audit Committee Members on June 13, 2024.