

Comparison Chart of Current Audit Committee Charter vs. Proposed Amended Audit Charter & Model IIA Charter vs. Proposed Amended Audit Charter

Current Audit Committee Charter	Comments Current Audit Committee Charter → Proposed Amended Audit Committee Charter	Model IIA Charter	Proposed Amended Audit Committee Charter	Comments Model IIA Charter → Proposed Amended Audit Committee Charter
		ORGANIZATIONAL PRINCIPLES		
		<u>Introduction</u>	Background and Role	
<p>The Board of Commissioners by resolution 88-11-16-3, established the Audit Committee as a permanent standing committee of the District declaring that it is vital that the North Broward Hospital District operates in compliance with the law, rules and regulations, established policies and procedures, applies sound management practices, and be held accountable for the use of public funds. To accomplish this goal, the District established the Internal Audit Department, independent from Administration and reporting to the Board.</p>	<p>Updated language in the introduction to match the current Board’s governance structure</p>	<p>The audit committee plays an important role in providing oversight of the organization's governance, risk management, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The audit committee performs its role by providing independent oversight to the governing body e.g. board.</p>	<p>The Board of Commissioners (the “<u>Board</u>”) of the North Broward Hospital District (the “<u>District</u>”), within subsection (c)(1) of section 3.12 of the Codified Resolutions of the Board (“<u>Codified Resolutions</u>”), established the Audit Committee as a permanent standing committee of the District and established the Internal Audit Department as an independent department with a Chief Internal Auditor. This Amended and Restated Charter of the Audit Committee and Internal Audit of North Broward Hospital District (“<u>Audit Charter</u>”) amends and restates the original Audit Committee Charter adopted on August 27, 2006, as amended, and provides a blueprint for how internal audit should operate. This Audit Charter establishes that it is vital that the District, as a special taxing district of the State of Florida, be held</p>	<p>Combined into One Section in “Background and Role” of Proposed Charter</p>

			accountable for the use of public funds and apply sound management practices through established policies and procedures that conform with state and federal law, rules and regulations.	
		Background	Background and Role	
The Board directed that the Internal Audit Department should independently review, evaluate and report on the accuracy of financial record keeping, compliance with applicable laws, rules and regulations, established policies and procedures, and the efficient and effective use of resources.	Updated to match the current Board's governance structure	The audit committee was established on [date]. At that time, the charter for the committee was established. The charter, which governs the work of the committee, was reviewed and updated on [date].	The Board of Commissioners (the " <u>Board</u> ") of the North Broward Hospital District (the " <u>District</u> "), within subsection (c)(1) of section 3.12 of the Codified Resolutions of the Board (" <u>Codified Resolutions</u> "), established the Audit Committee as a permanent standing committee of the District and established the Internal Audit Department as an independent department with a Chief Internal Auditor. This Amended and Restated Charter of the Audit Committee and Internal Audit of North Broward Hospital District (" <u>Audit Charter</u> ") amends and restates the original Audit Committee Charter adopted on August 27, 2006, as amended, and provides a blueprint for how internal audit should operate. This Audit Charter establishes that it is vital that the District, as a special taxing district of the State of Florida, be held accountable for the use of public funds and apply sound	Combined into One Section in "Background and Role" of Proposed Charter

			management practices through established policies and procedures that conform with state and federal law, rules and regulations.	
		<u>Purpose</u>	Mission and Purpose	
		<p>The purpose of the audit committee is to provide a structured, systematic oversight of the organization's governance, risk management, and internal control practices. The committee assists the board and management by providing advice and guidance on the adequacy of the organization's initiatives for:</p> <ul style="list-style-type: none"> • Values and ethics. • Governance structure. • Risk management. • Internal control framework. • Oversight of the internal audit activity, external auditors, and other providers of assurance. • Financial statements and public accountability reporting. <p>In broad terms, the audit committee reviews each of the items noted above and provides the board with</p>	<p>The mission of the Audit Committee is to enhance and protect the District's organizational value by providing risk-based and objective assurance, advice, and insight. The Audit Committee's purpose is to provide a structured and systematic oversight of the District's governance, risk management, and internal control practices. The Audit Committee assists the Board and the District's senior management by providing independent advice and guidance on the adequacy and effectiveness of—and of potential improvements to—the District's initiatives and practices for values and ethics; governance structure; risk management; internal control framework; oversight of the Internal Audit Department and external auditors; and financial statements and public accountability reporting.</p>	<p>Combined into One Section in "Mission and Purpose" of Proposed Charter</p>

		independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.		
		<u>Mandate</u>		
		The mandate for the establishment of the audit committee was derived from [Insert text; the exact source of the mandate will vary among jurisdictions and depend on the location, government structure, type of public sector services, and relationship to other government entities. This section is typical for public sector organizations and may come in the form of laws, regulations, policies and procedures, or bylaws.].	Removed	There is no mandate at this time, so this section has been removed.
		<u>Authority</u>	Scope, Authority and Responsibilities	
		The audit committee charter sets out the authority of the audit committee to carry out the responsibilities established for it by the board as articulated within the Audit Committee Charter.	No Change – First Sentence of “Scope, Authority and Responsibilities” Section	N/A
		In discharging its responsibilities, the audit committee will have unrestricted access to members of management, employees, and relevant information it considers	Consistent with this Audit Charter, and as otherwise permitted by the Board, in discharging its responsibilities, the Audit Committee may request the attendance of employees of	Opening paragraph of “Authority of Audit Committee” but reworded consistent with District’s practices and the Codified Resolutions

		necessary to discharge its duties. The committee also will have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Audit Committee and/or CAE will follow a prescribed, board approved mechanism for resolution of the matter.	the District and relevant information it considers necessary to discharge its duties. The Audit Committee shall also, to the extent permitted by state and federal law, have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Audit Committee and/or Chief Internal Auditor will follow the Board’s approved mechanism for resolution of the matter.	
		The audit committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The organization's management and staff should cooperate with audit committee requests.	REMOVED	REMOVED BECAUSE REPETITIVE
The Audit Committee shall work to assure maximum coordination among the Audit function, the Board and the Administration. It shall meet no more than quarterly, except at the request of one or more of its members and shall be responsible to: A. Provide general direction to the Internal Audit function	Updated to match Charter, Florida law, and the IIA Current Standards	The audit committee is empowered to: <ul style="list-style-type: none"> Appoint, compensate, and oversee all audit and non-audit services performed by auditors, including the work of any registered public accounting firm employed by the organization. [Note: This requirement may not be 	The Audit Committee is also empowered to: <ol style="list-style-type: none"> Request assistance from the District’s Office of the General Counsel or, to the extent that there is an actual or perceived conflict of interest, request the General Counsel to engage independent counsel 	Broken up into 1-5 under the “Authority of Audit Committee” Section but reworded consistent with District’s practices and the Bylaws

<p>by reviewing and approving the Internal Audit Department's annual audit plan and modifications thereto.</p> <p>E. Monitor the external auditor's work including coordination with internal audit and interaction with administration.</p> <p>As such, this shall include:</p> <ul style="list-style-type: none"> • Recommendation to the Board of Commissioners for the selection or reappointment of an external auditor. • Review of the proposed external audit scope and approach. • Review of the external auditors Reports to Management and Management's response. • Post audit reviews with the external auditors and management. <p>H. Hire experts to assist in special reviews if necessary. Such experts shall have no financial interests in the affairs of the District or its officers.</p>		<p>applicable in the public sector if the external auditor is established by legislation; for example, an Auditor General.]</p> <ul style="list-style-type: none"> • Resolve any disagreements between management and the external auditor regarding financial reporting and other matters. • Preapprove all auditing and non-audit services performed by auditors. 	<p>following the approval of the Board.</p> <ol style="list-style-type: none"> 2. Recommend to the Board the appointment and compensation of advisors and external auditors as necessary. 3. Review all audit and non-audit services performed by the external auditors, including the work of any registered public accounting firm employed by the District. 4. Recommend appropriate actions to the Board to resolve any disagreements between members of senior management and external auditors regarding financial reporting and other matters. 5. Recommend to the Board the approval for all auditing and non-audit services performed by external auditors. 	
		Composition of the Audit Committee	Audit Committee Organization and Structure	
<p>The Audit Committee shall oversee the Audit function. The Committee shall consist</p>	<p>#’s 1 and 5 in the “Audit Committee Organization and Structure” Section but</p>	<p>The audit committee will consist of [Insert number; at least three] members that</p>	<p>1. <u>Audit Committee Composition, Offices, and Officer Selection</u>. The</p>	<p>#’s 1 and 5 in the “Audit Committee Organization and Structure” Section but</p>

<p>of three (3) members of the Board of Commissioners (Board) who shall be appointed by the Chairperson of the Board and two (2) outside members who shall be appointed by the Board. These five (5) members shall be voting members of the Committee. Each member shall be independent and free from any relationship that, in the reasonable opinion of the Board, would interfere with the exercise of independent judgment as a member of the Committee. All members shall have a working familiarity with basic finance and accounting. At least one of the outside members shall be a CPA, licensed in the State of Florida (State).</p>	<p>reworded to be consistent with the Codified Resolutions</p>	<p>are independent of the organization. The members should collectively possess sufficient knowledge of audit, finance, specific industry knowledge, IT, law, governance, risk, and control. Because the responsibilities of the audit committee evolve in response to regulatory, economic, and reporting developments, it is important to periodically re-evaluate members' competencies and the overall balance of skills on the committee in response to emerging needs.</p>	<p>Composition of the Audit Committee shall be set forth in section 3.12(c)(1) of the Codified Resolutions and the offices and selection of officers shall be consistent with section 3.12(e) of the Codified Resolutions, all as amended from time to time.</p> <p>5. <u>Competency of Members.</u> Audit Committee members shall have sufficient competency to fulfill the roles of the Audit Committee.</p>	<p>reworded to be consistent with the Codified Resolutions</p>
		<p>The Chair of the Audit Committee</p>	<p>Audit Committee Organization and Structure</p>	
		<p>The board will designate the chair of the audit committee and appointment committee members.</p>	<p>1. <u>Audit Committee Composition, Offices, and Officer Selection.</u> The Composition of the Audit Committee shall be set forth in section 3.12(c)(1) of the Codified Resolutions and the offices and selection of officers shall be consistent with section 3.12(e) of the Codified Resolutions, all as amended from time to time.</p>	<p># 1 in the "Audit Committee Organization and Structure" Section but reworded to be consistent with the Codified Resolutions</p>
		<p>Terms of Office</p>	<p>Audit Committee Organization and Structure</p>	

<p>The outside members shall be appointed and/or reappointed every two (2) years by the Board and shall have the ability to serve a maximum of three (3) two-year terms or a total of six (6) years (consecutively or non-consecutively). The term of an outside member shall expire at the end of the two (2) years of service unless reappointed by the Board. No outside member shall serve more than a total of six (6) years.</p>	<p># 7 in the “Audit Committee Organization and Structure” Section but reworded to be consistent with the Codified Resolutions</p>	<p>The term of office for an audit committee member is [Insert number; typically three to four] years. Continuance of audit committee members will be reviewed annually. To ensure continuity within the audit committee, the appointment of members should be staggered.</p>	<p>7. <u>Terms of Appointment</u>. Members of the Board shall serve on the Audit Committee and be appointed consistent with section 3.12(e) of the Codified Resolutions. The outside expert consultants of the Audit Committee shall serve at the pleasure of the Board and be appointed or reappointed annually at the Board’s Annual Meeting and may serve on the Audit Committee up to a maximum of four (4) years (consecutively or non-consecutively).</p>	<p># 7 in the “Audit Committee Organization and Structure” Section but reworded to be consistent with the Codified Resolutions</p>
		<p><u>Quorum</u></p>	<p>Audit Committee Organization and Structure</p>	
		<p>The quorum for the audit committee will be a majority of the members.</p>	<p>2. <u>Meetings and Quorum</u>. The frequency of meetings of the Audit Committee shall be provided in section 3.12(c)(1) of the Codified Resolutions. A quorum of the Audit Committee shall be consistent with Art. III, s. 1.(b) of the Board’s Bylaws.</p>	<p># 2 in the “Audit Committee Organization and Structure” Section but reworded to be consistent with the Board’s Bylaws and its Codified Resolutions</p>
		<p>OPERATIONAL PRINCIPLES</p>		
		<p><u>Audit Committee Values</u></p>	<p>Audit Committee Values and Communication</p>	
		<p>The audit committee will conduct itself in accordance with the code of values and ethics of the organization and [Add reference to additional pertinent legislation/regulations/policies]. The audit</p>	<p>The Audit Committee shall conduct itself consistent with all state and federal laws that govern the District, as well as the District’s enabling legislation and charter (codified in ch. 2006-347, Laws of Florida and ch. 2007-</p>	<p>Combined into “Audit Committee Values and Communication” Section of Proposed Charter</p>

		committee expects that management and staff of the organization will adhere to these requirements.	299, Laws of Florida), the Amended and Restated Bylaws of the North Broward Hospital District (the " <u>Board's Bylaws</u> "), the Code of Conduct of Broward Health, and Broward Health's Policies and Procedures, all as amended from time to time. All communication with the District's management and staff shall always be direct, open, and complete.	
		Communications	Audit Committee Values and Communication	
		The audit committee expects that all communication with management and staff of the organization as well as with any external assurance providers will be direct, open, and complete.	The Audit Committee shall conduct itself consistent with all state and federal laws that govern the District, as well as the District's enabling legislation and charter (codified in ch. 2006-347, Laws of Florida and ch. 2007-299, Laws of Florida), the Amended and Restated Bylaws of the North Broward Hospital District (the " <u>Board's Bylaws</u> "), the Code of Conduct of Broward Health, and Broward Health's Policies and Procedures, all as amended from time to time. All communication with the District's management and staff shall always be direct, open, and complete.	Combined into "Audit Committee Values and Communication" Section of Proposed Charter
		Work Plan	Internal Audit Strategy and Plan	
		The audit committee chair will collaborate with senior management and the chief	6. The Internal Audit Department's strategic plan,	#s 6, 7, 8 and 9 in the "Internal Audit Strategy and Plan" Section but reworded

		audit executive (CAE) to establish a work plan to ensure that the responsibilities of the audit committee are scheduled and will be carried out.	objectives, performance measures, and outcomes. 7. A proposed risk-based internal audit plan and internal audit projects. 8. The internal audit plan and engagement work program, including internal audit resources necessary to achieve the plan. 9. The Internal Audit Department's performance.	to be consistent with Florida law, the District's Charter, and to provide clarity
		Meeting Agenda	Audit Committee Organization and Structure	
		The chair will establish agendas for audit committee meetings in consultation with audit committee members, senior management, and the CAE.	3. Meeting Agendas . The Audit Committee chair shall coordinate with the Chief Internal Auditor to establish agendas for Audit Committee meetings.	# 3 in the "Audit Committee Organization and Structure" Section
		Information Requirements		
The President/Chief Executive Officer, the General Counsel or his or her designee, and the Director of Internal Audit shall be non-voting members of the Committee.	# 11 in the "Audit Committee Organization and Structure" Section and reworded to be consistent with Board's Bylaws and Florida law	The audit committee will establish and communicate its requirements for information, which will include the nature, extent, and timing of information. Information will be provided to the audit committee at least one week prior to each audit committee meeting.	11. Attendance Requirements for District Employees. The President and Chief Executive Officer ("President and CEO"), General Counsel, and the Chief Internal Auditor, or their designees shall be required to attend all Audit Committee meetings to further the purposes, goals, and objectives of the Audit Committee, provide support and relevant information to the Audit Committee, and to assist in matters falling within the jurisdiction of the Audit	# 11 in the "Audit Committee Organization and Structure" Section and first paragraph of Authority of the Audit Committee but reworded to be consistent with the Board's Agenda Policy and Florida law.

			<p>Committee. The Chief Internal Auditor, or another appropriate designee, shall facilitate and coordinate meetings as well as provide ancillary support to the Audit Committee, as time and resources permit.</p> <p style="text-align: center;"><i>Authority of the Audit Committee</i></p> <p>Consistent with this Audit Charter, and as otherwise permitted by the Board, in discharging its responsibilities, the Audit Committee may request the attendance of employees of the District and relevant information it considers necessary to discharge its duties. The Audit Committee shall also, to the extent permitted by state and federal law, have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Audit Committee and/or Chief Internal Auditor will follow the Board's approved mechanism for resolution of the matter.</p>	
		<u>Executive Sessions</u>		
		The audit committee will schedule, and hold if necessary, a private session	4. <u>Open Meetings and Meeting Minutes</u> . Unless otherwise exempt under	REMOVED BECAUSE VIOLATES FLORIDA LAW. Replaced with # 4 in the

		with the chief executive officer (CEO), the chief financial officer (CFO), the CAE, external assurance providers, and with any other officials that the audit committee may deem appropriate at each of its meetings.	Florida law, all meetings of the Audit Committee shall be open to the public as provided in § 286.011, Florida Statutes, as amended from time to time and any successor statute thereof. Minutes of the Audit Committee shall be promptly recorded and made available to all Board members and Audit Committee members consistent with Art. III, s. 5. of the Board's Bylaws.	"Audit Committee Organization and Structure" Section
		<u>Preparation and Attendance</u>		
		Audit committee members are obligated to prepare for and participate in committee meetings.	REMOVED	REMOVED. ALREADY IN THE SECTION III. OF THE BYLAWS
		<u>Conflict(s) of Interest</u>	Audit Committee Organization and Structure	
Prior to serving, all outside members shall be required to fully, accurately and timely complete and submit all forms required by Broward Health or State law, including, without limitation, a Conflict of Interest Disclosure Form.	# 9 in the "Audit Committee Organization and Structure" Section but reworded to be consistent with the Board's Bylaws and its Codified Resolutions	Audit committee members should adhere to the organizations code of conduct and any values and ethics established by the organization. It is the responsibility of audit committee members to disclose any conflict of interest or appearance of a conflict of interest to the committee. If there is any question as to whether audit committee member(s) should recuse themselves from a vote, the committee should vote to determine whether the member should recuse himself or herself.	9. <u>Conflicts of Interest</u> . As is required of all Board members, all outside expert consultants serving as Audit Committee members shall adhere and comply with the District's policies and procedures, the Code of Conduct of Broward Health, and the Board's Code of Conduct and Ethics as delineated in Art. II., s. 7 of the Board's Bylaws and section 2.7 of the Codified Resolutions (collectively, the " <u>District's Code of Conduct and Ethics</u> "). Outside expert consultants shall promptly disclose any conflict of	# 9 in the "Audit Committee Organization and Structure" Section but reworded to be consistent with the Board's Bylaws and its Codified Resolutions

			<p>interest or any appearance of impropriety to the Audit Committee and shall be required to fully, accurately and timely complete all forms required by the District, including, without limitation, a Conflict of Interest and Financial Disclosure Form. If there is any question regarding whether an outside expert consultant serving on the Audit Committee should recuse themselves from a vote, the Audit Committee shall vote to determine the appropriateness of recusal.</p>	
		Orientation and Training	Audit Committee Organization and Structure	
		<p>Audit committee members will receive formal orientation training on the purpose and mandate of the committee and on the organization's objectives. A process of continuing education will be established.</p>	<p>10. <u>Orientation Training</u>. All outside expert consultants of the Audit Committee shall receive the same formal orientation training provided to Board members which shall include, without limitation, training on the purpose and mandate of the Audit Committee and the District's Code of Conduct and Ethics. In accordance with section 2.7 of the Codified Resolutions, the outside expert consultants of the Audit Committee must acknowledge receipt of compliance training and that they will comply with the District's Code of Conduct and Ethics.</p>	<p># 10 in the "Audit Committee Organization and Structure" Section but reworded to be consistent with the Codified Resolutions</p>

		OPERATIONAL PROCEDURES		
		<u>Meetings</u>	Audit Committee Organization and Structure	
		The audit committee will meet at least [Insert number; at least four is generally recommended] times annually or more frequently as the committee deems necessary. The time frame between audit committee meetings should not exceed four months.	2. <u>Meetings and Quorum</u> . The frequency of meetings of the Audit Committee shall be provided in section 3.12(c)(1) of the Codified Resolutions. A quorum of the Audit Committee shall be consistent with Art. III, s. 1.(b) of the Board’s Bylaws.	# 2 in the “Audit Committee Organization and Structure” Section but reworded to be consistent with the Board’s Bylaws and its Codified Resolutions
		<u>Minutes</u>	Audit Committee Organization and Structure	
		Minutes will be prepared in accordance with applicable law, regulation, bylaw, policy, procedure, and/or other applicable requirements. Meeting minutes will be provided in draft format at least two weeks after the audit committee meeting.	4. <u>Open Meetings and Meeting Minutes</u> . Unless otherwise exempt under Florida law, all meetings of the Audit Committee shall be open to the public as provided in § 286.011, Florida Statutes, as amended from time to time and any successor statute thereof. Minutes of the Audit Committee shall be promptly recorded and made available to all Board members and Audit Committee members consistent with Art. III, s. 5. of the Board’s Bylaws.	# 4 in the “Audit Committee Organization and Structure” Section but reworded to be consistent with the Board’s Bylaws and Florida law
		<u>Required Attendance</u>	Audit Committee Organization and Structure	
		The CAE and [Insert text; include the title of the person to whom the CAE reports and the title of the person responsible for managing the	11. <u>Attendance Requirements for District Employees</u> . The President and Chief Executive Officer (“ <u>President and CEO</u> ”), General Counsel, and the	# 11 in the “Audit Committee Organization and Structure” Section but reworded to be consistent with the Board’s Bylaws and Florida law

		external audit relationship] are required to attend all audit committee meetings.	Chief Internal Auditor, or their designees shall be required to attend all Audit Committee meetings to further the purposes, goals, and objectives of the Audit Committee, provide support and relevant information to the Audit Committee, and to assist in matters falling within the jurisdiction of the Audit Committee. The Chief Internal Auditor, or another appropriate designee, shall facilitate and coordinate meetings as well as provide ancillary support to the Audit Committee, as time and resources permit.	
		<u>Secretariat Services</u>	Audit Committee Organization and Structure	
		The CAE (or another appropriate designee) will facilitate and coordinate meetings as well as provide ancillary support to the committee, as time and resources permit.	11. <u>Attendance Requirements for District Employees</u> . The President and Chief Executive Officer (“President and CEO”), General Counsel, and the Chief Internal Auditor, or their designees shall be required to attend all Audit Committee meetings to further the purposes, goals, and objectives of the Audit Committee, provide support and relevant information to the Audit Committee, and to assist in matters falling within the jurisdiction of the Audit Committee. The Chief Internal Auditor, or another appropriate designee, shall facilitate and coordinate meetings as well as provide	# 11 in the “Audit Committee Organization and Structure” Section but reworded to be consistent with the Board’s Bylaws and Florida law

			ancillary support to the Audit Committee, as time and resources permit.	
		<u>Remuneration of Committee Members</u>	Audit Committee Organization and Structure	
The outside members shall serve without compensation but may be reimbursed for travel expenses in accordance with Broward Health policy and State law.	# 8 in the “Audit Committee Organization and Structure” Section but reworded to be consistent with Florida law and the District’s policies	<p>Committee members may be reimbursed for travel and committee-related expenses. [If applicable, a policy should be established and outlined in the legal basis and/or a formal travel policy that applies to all committee members.]</p> <p>Payment rates and allowances for committee members' time and/or services are established formally in [Insert text regarding laws, regulations, or in written policy and procedures by the governing body].</p> <p>Professional Indemnity Insurance: [Professional indemnity insurance arrangements that are suitable to both the member and the organization should be established. Insert text regarding agreed-upon arrangements].</p>	8. <u>Remuneration of Outside Expert Consultants</u> . The outside expert consultants of the Audit Committee shall serve without compensation but may be paid for traveling expenses consistent with § 112.061, Florida Statutes and the District’s policy governing travel and reimbursement expenditures.	# 8 in the “Audit Committee Organization and Structure” Section but reworded to be consistent with Florida law and the District’s policies
		<u>Responsibilities</u>	Responsibilities of Audit Committee	
		It is the responsibility of the audit committee to provide the board with independent, objective advice on the adequacy of management's	It is the responsibility of the Audit Committee to review the internal audit activities of the District and provide the Board with independent and	Opening paragraph of “Responsibilities of Audit Committee”

		arrangements with respect to the following aspects of the management of the organization:	objective advice with respect to the following aspects of the management of the organization, as well as other duties and responsibilities delegated from the Board from time to time where not duplicative of actions by another Board committee or of the Board itself:	
		<u>Values and Ethics</u>		
		<p>To obtain reasonable assurance with respect to the organization's values and ethics practices, the audit committee will:</p> <ul style="list-style-type: none"> • Review and assess the policies, procedures, and practices established by the governing body to monitor conformance with its code of conduct and ethical policies by all managers and staff of the organization. • Provide oversight of the mechanisms established by management to establish and maintain high ethical standards for all of the managers and staff of the organization. • Review and provide advice on the systems and practices established by management to monitor compliance with laws, regulations, policies, and standards of 	REMOVED	REMOVED. THIS IS A FUNCTION OF THE COMPLIANCE COMMITTEE

		ethical conduct and identify and deal with any legal or ethical violations.		
		<u>Organizational Governance</u>		
		To obtain reasonable assurance with respect to the organization's governance process, the audit committee will review and provide advice on the governance process established and maintained within the organization and the procedures in place to ensure that they are operating as intended.	REMOVED	REMOVED. THIS IS A FUNCTION OF THE GOVERNANCE COMMITTEE
		<u>Risk Management</u>		
		To obtain reasonable assurance with respect to the organization's risk management practices, the audit committee will: <ul style="list-style-type: none"> • Annually review the organization's risk profile. • Obtain from the CAE an annual report on management's implementation and maintenance of an appropriate enterprise wide risk management process. • Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or 	REMOVED	REMOVED. THIS IS A FUNCTION OF THE RISK MANAGEMENT COMMITTEE

		<p>requested by senior management and the board.</p> <ul style="list-style-type: none"> • Provide oversight of the adequacy of the combined assurance being provided. • Review and provide advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended. 		
		<u>Fraud</u>	<u>Prevention and Detection of Fraud</u>	
		<p>To obtain reasonable assurance with respect to the organization's procedures for the prevention and detection of fraud, the audit committee will:</p> <ul style="list-style-type: none"> • Oversee management's arrangements for the prevention and deterrence of fraud. • Ensure that appropriate action is taken against known perpetrators of fraud. • Challenge management and internal and external auditors to ensure that the entity has appropriate antifraud programs and controls in 	<p>To obtain reasonable assurance with respect to the District's procedures for the prevention and detection of fraud, the Audit Committee may:</p> <ol style="list-style-type: none"> 1. Oversee management's arrangements for the prevention and deterrence of fraud. 2. Provide oversight of the District's antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected. 	<p>#’s 1 and 2 in the “Prevention and Detection of Fraud” Section but reworded to be consistent with Florida law and to provide clarity</p>

		place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.		
		<u>Control</u>	<u>Control</u>	
		<p>To obtain reasonable assurance with respect to the adequacy and effectiveness of the organization's controls in responding to risks within the organization's governance, operations and information systems, the audit committee will:</p> <ul style="list-style-type: none"> • Consider the effectiveness of the organization's control framework, including information technology security and control. • Review and provide advice on the control of the organization as a whole and its individual units. • Receive reports on all matters of significance arising from work performed by other providers of financial and internal control assurance to senior management and the board. 	<p>To obtain reasonable assurance with respect to the adequacy and effectiveness of the District's controls in responding to risks within the District's governance, operations, and information systems, the Audit Committee may:</p> <ol style="list-style-type: none"> 1. Review and report to the Board on the effectiveness of the District's control framework, including information technology security and control. 2. Review and provide advice to the Board on the control of the District as a whole and its individual units. 3. Review and make recommendations to the Board on all matters of significance arising from work performed by other providers of financial and internal control assurance to members of senior management and the Board. 	<p>#'s 1, 2 and 3 in the "Control" Section but reworded to be consistent with Florida law, the District's Charter and to provide clarity</p>
		<u>Compliance</u>		

		<p>The audit committee will:</p> <ul style="list-style-type: none"> • Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance. • Review the observations and conclusions of internal and external auditors and the findings of any regulatory agencies. • Review the process for communicating the code of conduct to the organization's personnel and for monitoring compliance. • Obtain regular updates from management and the organization's legal counsel regarding compliance matters. 	REMOVED	REMOVED. THIS IS A FUNCTION OF THE COMPLIANCE COMMITTEE
		OVERSIGHT OF THE INTERNAL AUDIT ACTIVITY AND OTHER ASSURANCE PROVIDERS	<i>Oversight of the Internal Audit Department and External Auditors</i>	
		<u>Internal Audit Activity</u>	Oversight of the Internal Audit Department and External Auditors	
The Board of Commissioners by a majority vote can retain (appoint) or terminate a	#’s 3, 4 and 5 in the “Chief Internal Auditor Performance” Section but	To obtain reasonable assurance with respect to work of the internal audit	The Internal Audit Department shall be overseen by the Chief	Opening paragraph of “Oversight of the Internal

<p>Director of Internal Audit, who shall be the executive and administrative head of the Internal Audit Department, reporting to the Board of Commissioners. The Audit Committee shall annually appraise the performance of the Director of Internal Audit.</p>	<p>updated to be consistent with the current IIA Standards</p>	<p>activity, the audit committee will provide oversight related to:</p>	<p>Internal Auditor. The scope of the Internal Audit Department’s role and function encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments on the adequacy and effectiveness of governance, risk management, and control processes. In the furtherance of the Internal Audit Department’s accomplishment of such goals and to obtain reasonable assurance with respect to internal audit activity, the Audit Committee may provide recommendations to the Board related to:</p>	<p>Audit Department and External Auditors”</p>
		<p><i>Internal Audit Charter and Resources</i></p>	<p>Internal Audit Charter and Resources</p>	
<p>The Audit Committee shall work to assure maximum coordination among the Audit function, the Board and the Administration. It shall meet no more than quarterly, except at the request of one or more of its members and shall be responsible to:</p> <p>C. Annually approve a budget for the Internal Audit Department</p>	<p>Reworded to be consistent with Florida law, the District’s Charter, and current IIA Standards</p>	<ul style="list-style-type: none"> Review and approve the internal audit charter at least annually. The charter should be reviewed to ensure that it accurately reflects the internal audit activity's purpose, authority, and responsibility, consistent with the mandatory guidance of The IIA's International Professional Practices Framework and the scope and nature of assurance and consulting services, as well as 	<p>1. The review and ratification of the Internal Audit Department Charter at least annually consistent with the mandatory guidance of the IIA Standards, the scope and nature of assurance and consulting services, and any changes in the financial, risk management, and governance processes of the District, as well as developments and best practices in the professional practice of internal auditing.</p>	<p>#’s 1 and 2 in the “Internal Audit Charter and Resources” Section but reworded to be consistent with Florida law and the District’s Charter</p>

		<p>changes in the financial, risk management, and governance processes of the organization and reflects developments in the professional practice of internal auditing.</p> <ul style="list-style-type: none"> Advise the board about increases and decreases to the requested resources to achieve the internal audit plan. Evaluate whether any additional resources are needed permanently or should be provided through outsourcing. 	<p>2. The review of the requested resources to achieve the internal audit plan.</p>	
		CAE Performance	Chief Internal Auditor Performance	
<p>The Board of Commissioners by a majority vote can retain (appoint) or terminate a Director of Internal Audit, who shall be the executive and administrative head of the Internal Audit Department, reporting to the Board of Commissioners. The Audit Committee shall annually appraise the performance of the Director of Internal Audit.</p> <p>THE AUDIT COMMITTEE</p> <p>The Audit Committee shall work to assure maximum coordination among the Audit function, the Board and the Administration. It shall</p>	Updated language consistent with the current IIA Standards	<ul style="list-style-type: none"> Advise the board regarding the qualifications and recruitment, appointment, and removal of the CAE. Provide input to management related to evaluating the performance of the CAE. Recommend to management or the governing body the appropriate compensation of the CAE. 	<p>3. Advising the Board regarding the qualifications and recruitment, appointment, and removal of the Chief Internal Auditor.</p> <p>4. Providing input to management related to evaluating the performance of the Chief Internal Auditor.</p> <p>5. Recommending to the Board the appropriate compensation of the Chief Internal Auditor.</p>	#’s 3, 4 and 5 in the “Chief Internal Auditor Performance” Section

<p>meet no more than quarterly, except at the request of one or more of its members and shall be responsible to:</p> <p>B. Make recommendations to the Board on the selection and termination of the Internal Auditor.</p>				
		<p><i>Internal Audit Strategy and Plan</i></p>	<p>Internal Audit Strategy and Plan</p>	
		<ul style="list-style-type: none"> • Review and provide input on the internal audit activity's strategic plan, objectives, performance measures, and outcomes. • Review and approve proposed risk-based internal audit plan and make recommendations concerning internal audit projects. • Review and approve the internal audit plan and engagement work program, including reviewing internal audit resources necessary to achieve the plan. • Review the internal audit activity's performance relative to its audit plan. 	<p>6. The Internal Audit Department's strategic plan, objectives, performance measures, and outcomes.</p> <p>7. A proposed risk-based internal audit plan and internal audit projects.</p> <p>8. The internal audit plan and engagement work program, including internal audit resources necessary to achieve the plan.</p> <p>9. The Internal Audit Department's performance.</p>	<p>#'s 6, 7, 8 and 9 in the "Internal Audit Strategy and Plan" Section but reworded to be consistent with Florida law, the District's Charter, and to provide clarity</p>
		<p><i>Internal Audit Engagement and Follow Up</i></p>	<p>Internal Audit Engagement and Follow-up</p>	

<p>The Audit Committee shall work to assure maximum coordination among the Audit function, the Board and the Administration. It shall meet no more than quarterly, except at the request of one or more of its members and shall be responsible to:</p> <p>D. Review internal audit reports, and evaluate the activities, organization and qualifications of the Internal Audit Department.</p>	<p>#’s 10 and 11 in the “Internal Audit Engagement and Follow-up” Section but reworded for clarity and to match current District practices.</p>	<ul style="list-style-type: none"> • Review internal audit reports and other communications to management. • Review and track management's action plans to address the results of internal audit engagements. • Review and advise management on the results of any special investigations. • Inquire of the CAE whether any internal audit engagements or non-audit engagements have been completed but not reported to the committee; if so, inquire whether any matters of significance arose from such work. • Inquire of the CAE whether any evidence of fraud has been identified during internal audit engagements and evaluate what additional actions, if any, should be taken. 	<p>10. The review of final reports from the internal audit plan.</p> <p>11. The review and tracking of management’s action plans to address the results of internal audit engagements.</p>	<p>#’s 10 and 11 in the “Internal Audit Engagement and Follow-up” Section but reworded for clarity, remove repetitive verbiage, and to remove implicit duties.</p>
		<p><i>Standards Conformance</i></p>	<p>Standards Conformance</p>	
		<ul style="list-style-type: none"> • Inquire of the CAE about steps taken to ensure that the internal audit activity conforms with The IIA’s <i>International Standards for the</i> 	<p>12. The review of the steps taken to ensure that the Internal Audit Department’s internal audit activity conforms with the IIA Standards.</p>	<p>#’s 12, 13, 14 and 15 in the “Standards Conformance” Section but reworded to provide clarity and remove repetitive language</p>

		<p><i>Professional Practice of Internal Auditing (Standards).</i></p> <ul style="list-style-type: none"> • Ensure that the internal audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the audit committee. • Ensure that the internal audit activity has an external quality assurance review every five years. • Review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address any recommendations. • Advise the board about any recommendations for the continuous improvement of the internal audit activity. 	<p>13. The review of the Internal Audit Department's quality assurance and improvement program for periodic assessments of the Internal Audit Department and that the results of such periodic assessments are presented to the Audit Committee.</p> <p>14. Verifying the results of the Internal Audit Department's internal and external quality assurance review and the implementation of the recommended action plan.</p> <p>15. The review of any recommendations for the continuous improvement of the Internal Audit Department.</p>	
		<u>External Auditors</u>	External Auditors	
The Audit Committee shall work to assure maximum coordination among the Audit function, the Board and the Administration. It shall meet no more than quarterly, except at the	#’s 16 and 17 in the “External Auditors” Section but reworted to provide clarity and conform to District practices	To obtain reasonable assurance with respect to work of the external assurance providers, the audit committee will meet with the external assurance providers during the planning	16. To obtain reasonable assurance with respect to work of external auditors, meeting with the external auditors during the planning phase of the engagement, the presentation of the	#’s 16 and 17 in the “External Auditors” Section but reworted to provide clarity and conform to District practices

<p>request of one or more of its members and shall be responsible to:</p> <p>E. Monitor the external auditor's work including coordination with internal audit and interaction with administration.</p> <p>As such, this shall include:</p> <ul style="list-style-type: none"> • Review of all additional services that are proposed to be provided to the organization by the external auditor and assure that independence has been maintained. • Evaluation, with input from management, of the external auditors effectiveness and the appropriateness of proposed audit fees. 		<p>phase of the engagement, the presentation of the audited financial statements, and the discussion of the results of engagements and recommendations for management.</p> <p>The audit committee will:</p> <ul style="list-style-type: none"> • Review the external auditors' proposed audit scope and approach, including coordination of audit effort with the internal audit activity. [Note: This may not be applicable in a public sector setting.] • Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors. [Note: This may not be applicable in a public sector setting.] • Obtain statements from the external auditors about their relationships with the organization, including non-audit services performed in the past, and discuss the information with the external auditors to review and confirm their independence. 	<p>audited financial statements, and the discussion of the results of engagements and recommendations for the District's management.</p> <p>17. Obtaining statements from external auditors about their relationships with the District, including non-audit services performed in the past, and discussing the information with the external auditors to review and confirm their independence.</p>	
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		<ul style="list-style-type: none"> • Have regularly scheduled exclusive meetings with external auditors to discuss any sensitive matters. • Monitor management's progress on action plans. <p>To obtain reasonable assurance that management has acted on the results and recommendations of internal and external audit engagements, the audit committee will regularly review reports on the progress of implementing approved management action plans and audit recommendations resulting from completed audit engagements.</p>		
		Financial Statements and Public Accountability Reporting	Financial Statements and Public Accountability Reporting	
		<p>The audit committee is responsible for oversight of the independent audit of the government entity's financial statements, including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory compliance, and ethics.</p> <p>The audit committee will:</p> <ul style="list-style-type: none"> • Review with management and the external auditors the 	<p>The Audit Committee is responsible for oversight of the independent audit of the District's financial statements, including, but not limited to, overseeing the resolution of audit findings in areas such as internal controls, legal and regulatory compliance, and ethics. Accordingly, the Audit Committee may make appropriate recommendations to the</p>	<p>Reworded in the "Financial Statements and Public Accountability Reporting" Section for clarity and District practice.</p>

		<p>results of audit engagements, including any difficulties encountered.</p> <ul style="list-style-type: none"> • Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements. • Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles. • Review other sections of the annual report and related regulatory filings and consider the accuracy and completeness of the information before it is released. • Review with management and the external auditors all matters required to be communicated to the audit committee under generally accepted 	<p>Board upon the Audit Committee's:</p> <ol style="list-style-type: none"> 1. Review with the District's management and the external auditors the results of audit engagements, including any difficulties encountered. 2. Review and understand significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas, and recent professional and regulatory pronouncements and their impact on the District's financial statements. 3. Review the annual financial statements, and consider whether they are complete, consistent with information known to Audit Committee members, and reflect appropriate accounting principles. 4. Review with management and the external auditors all matters required to be communicated to the Audit Committee under generally accepted external auditing standards. 5. Review and understanding of the strategies, assumptions, and estimates that management 	
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		<p>external auditing standards.</p> <ul style="list-style-type: none"> • Understand strategies, assumptions and estimates that management has made in preparing financial statements, budgets, and investment plans. • Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement in the process. • Review interim financial reports with management and external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members. 	<p>has made in preparing financial statements, budgets, and investment plans.</p> <p>6. Review and understanding of how management develops interim financial information and the nature and extent of internal and external auditor involvement in the process.</p> <p>7. Review, at least annually, the report by the external auditor describing:</p> <p>a. The external auditor’s internal quality-control procedures; and</p> <p>b. Any material issues raised by the most recent internal quality control review or peer review, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years with respect to independent audits carried out by the external auditor, and any steps taken to deal with such issues.</p>	
		<p><u>Other Responsibilities</u></p>		
		<p>In addition, the audit committee will:</p> <ul style="list-style-type: none"> • Perform other activities related to this charter as requested by the governing body. 	<p>REMOVED</p>	<p>REMOVED. THE FIRST BULLET WAS INCORPORATED IN THE FIRST PARAGRAPH OF THE “RESPONSIBILITIES OF THE AUDIT COMMITTEE SECTION. THE SECOND</p>

		<ul style="list-style-type: none"> Institute and oversee special investigations as needed. Regularly evaluate its performance and that of its individual members. [Note: Annual assessments are recommended.] 		<p>BULLET IS OPERATIONAL AND A FUNCTION OF THE DISTRICT'S MANAGEMENT. THE THIRD BULLET IS AN IMPLICIT RESPONSIBILITY.</p>
		<p><u>Reporting on Audit Committee Performance</u></p>	<p>Reporting on Audit Committee Performance</p>	
		<p>The audit committee will report to the board annually, summarizing the committee's activities and recommendations. The report may be delivered during an audit committee meeting attended by the board or during a regularly scheduled meeting of the board.</p> <p>The report should include:</p> <ul style="list-style-type: none"> A summary of the work the audit committee performed to fully discharge its responsibilities during the preceding year. A summary of management's progress in addressing the results of internal and external audit engagement reports. An overall assessment of management's risk, control, and compliance 	<p>The Audit Committee may report to the Board any matter it deems of sufficient importance. At a minimum, the Audit Committee shall report to the Board at least annually, and more often as requested by the Board, summarizing the Audit Committee's activities and recommendations. The Audit Committee's report may be delivered during an Audit Committee meeting attended by the Board or during a regularly scheduled meeting of the Board. The report shall at least include:</p> <ol style="list-style-type: none"> A summary of the work the Audit Committee performed to fully discharge its responsibilities during the preceding year. A summary of the District's progress in addressing the results of 	<p>#'s 1, 2, 3, 4 and 5 in the "Reporting on Audit Committee Performance" Section but reworded to provide clarity and remove repetitive language</p>

		<p>processes, including details of and significant emerging risks or legislative changes impacting the governing organization.</p> <ul style="list-style-type: none"> • Details of meetings, including the number of meetings held during the relevant period and the number of meetings each member attended. • Provide information required, if any, by new or emerging corporate governance developments. • The committee may report to the governing body at any time regarding any other matter it deems of sufficient importance. 	<p>internal and external audit engagement reports.</p> <p>3. An overall assessment of the District's risk, control, and compliance processes, including details of any significant emerging risks or legislative changes impacting the District.</p> <p>4. Details of meetings, including the number of meetings held during the relevant period and the number of meetings each member attended.</p> <p>5. Any other information required by new or emerging corporate governance developments.</p>	
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