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Audit Committee Charter

Audit Committee Authority

Pursuant to resolution number 2023-R-X, dated December X, 2023 the Alta Town Council has established an Audit Committee to assist the Town of Alta in the oversight of both the internal and external audit functions. The following charter shall guide the committee in fulfilling its mission.

Mission

The Audit Committee provides independent advice, assistance, and recommendations to the Town of Alta in the oversight of the internal and external audit functions of the Town of Alta. The Audit Committee ensures financial statements are performed by qualified, independent accounting firms, and investigates and addresses complaints.

Composition and Skills

The Audit Committee shall be composed of three or more members (odd numbers preferred), one of whom shall be the Mayor, one of whom shall be a member of the Town Council, and at least one person who is not a member of management and is deemed a financial expert (possess the requisite knowledge necessary to understand complex, technical financial reporting issues). The Town's Treasurer shall be Chair of the committee and be a non-voting member.

Committee members should collectively possess knowledge in accounting, auditing, and financial reporting needed to understand and evaluate the Town of Alta's financial statements, the external audit, and the entity's internal audit activities.

An individual may not serve on the Audit Committee in a voting capacity if they:

- a. Are employed by the Town of Alta (other than Alta Town Council members).
- b. Currently provide, or within the prior two years, have provided, goods or services to the Town of Alta.
- c. Are a family member of an employee or officer.
- d. Are the owner of or has a direct and material interest in a company providing goods or services to the Town of Alta.

Membership Overview

The membership duties include the following:

1. Good Faith – Members of the Audit Committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the committee and the Town

of Alta with such care as a generally prudent person in a similar position would use under similar circumstances.

2. Confidentiality – During the exercise of duties and responsibilities, Audit Committee members may have access to confidential information. The Committee shall have an obligation to the Town of Alta to maintain the confidentiality of such information.
3. Committee members shall fill out the Annual Officials and Employee’s Ethical Behavior Pledge.
4. Terms – Audit Committee members shall be appointed by the Mayor, with the advice and consent of the Town Council, every 2 years in January of odd years. If a committee member elects to terminate their membership on the committee, the Mayor shall appoint a replacement to fulfill the original members term.
5. The Audit Committee shall operate within the budget allocated by the Town Council

Duties and Responsibilities

The duties and responsibilities include the following:

1. External Audit Focus
 - a. The Audit Committee has been delegated the authority to hire and fire the auditor; the Mayor shall be the signatory on such documents.
 - b. Receive and review the draft annual audit report and accompanying draft management letter, including the external auditor’s assessment of the entity’s system of internal controls, and, working directly with the external auditor, assist the Town Council in interpreting such documents.
 - c. Make a recommendation to the Town Council on accepting the annual audit report.
 - d. Review corrective action plan developed by the Town of Alta management and assist the Town Council in the implementation of such plans.
2. Internal Audit Focus
 - a. Make recommendations to the Town Council regarding the appointment of the internal auditor.
 - b. Assist in the oversight of the internal audit function, including reviewing the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested, and reviewing the results of internal audit activities.
 - c. Review significant recommendations and findings of the internal auditor.
 - d. Monitor management’s implementation of the internal auditor’s recommendations by management.
 - e. Participate in the evaluation of the performance of the internal audit function.
3. Administrative Matters
 - a. Hold regularly scheduled meetings.
 - b. Oversee complaints received through the hotline or through the internal auditor.
 - c. As needed, review and suggest revisions to the Town Council regarding the Audit Committee Charter.
4. Reporting Requirements - The Audit Committee via its Chair has the duty and responsibility to report its activities to the Alta Town Council as needed, but not less than annually. Periodic written reports of Audit Committee activities are an important communication link between the Audit Committee and the Town of Alta on key decisions and responsibilities.
 - a. The Audit Committee’s reporting requirements are to:

- a. Report on the scope and breadth of committee activities so that the Alta Town Council is kept informed of its work.
- b. Provide minutes or a summary of minutes of meetings which clearly record the actions and recommendations of the committee.
- c. Report on their review of the Town of Alta's draft annual audit report and accompanying management letter and their review of significant findings.
- d. Report on suspected fraud, waste or abuse, or significant internal control findings and activities of the internal control function.
- e. Report on indications of material or significant non-compliances with laws or Town of Alta policies and regulations.
- f. Report on any other matters that the committee believes should be disclosed to the Alta Town Council.

Rules of order and procedure to govern meetings:

1. Meetings and Notification - The Audit Committee shall meet a minimum of two times each year. Meeting agendas should be clearly determined in advance by the Chair, and the Audit Committee should receive agendas and supporting documents in advance, for reasonable review and consideration.
2. The written agenda shall guide the meetings.
3. Audit Committee meetings are Chaired by the Treasurer. The Town's Treasurer shall be a non-voting member of the committee tasked with preparing for meetings, leading meetings, and assuring meeting minutes are kept.
 - a. Agenda items are usually considered in the order listed but may be reordered with consent of committee members.
 - b. Audit Committee meetings shall be conducted in accordance with Roberts Rules in Plain English, Second Edition by Doris Zimmerman.
4. Quorum and Voting
 - a. The Mayor is a regular and voting member of the Audit Committee including but not limiting to establishing a quorum and voting.
 - b. All decisions shall be reached by vote of a simple majority of the total membership of the committee. A quorum constitutes a simple majority of the total membership and meetings will not be conducted unless a quorum is present.
5. Meeting Minutes: The Chair shall create meeting minutes which include the following:
 - a. Agenda
 - b. Time, date, and location
 - c. Attendance
 - d. Findings requiring further investigation
 - e. Votes taken
 - f. Items to report to the Town Council

Charter Review

The Audit Committee shall assess and report to the Alta Town Council on the adequacy of this Charter as necessary. Charter modifications, as recommended by the Audit Committee, should be presented to the Alta Town Council in writing for their review and action.