BYLAWS OF THE

ORANGE COUNTY AUDIT OVERSIGHT COMMITTEE

December 14, 2010

I. GENERAL PROVISIONS

Rule 1: The rules contained in these Bylaws shall govern the Orange County Audit Oversight Committee (hereinafter referred to as "Committee"). This Committee has been established as an advisory committee to the Board of Supervisors (hereinafter referred to as "Board").

II. MEMBERSHIP OF COMMITTEE, RIGHTS AND DUTIES OF MEMBERS

Rule 2: The membership of the Committee shall consist of the following: the Chairman and Vice-Chairman of the Board, the Auditor-Controller, the County Executive Officer (CEO), the Treasurer-Tax Collector as Ex-Officio (non-voting) Member, the Performance Audit Director as Ex-Officio (non-voting) Member and three members from the private sector appointed by the Board. The public members shall be appointed by the Board for a term of four years and may be reappointed or removed by the Board of Supervisors.

Rule 3: In the event that a member chooses to resign from the Committee, such member should notify the Chairman, in writing. The Chairman will then immediately notify the Board and the Committee of any such resignations. Upon notification, the Chair of the Board will then solicit for a new member until the vacancy is filled.

III. APPOINTMENTS, POWERS AND DUTIES OF THE CHAIRMAN

Rule 4: The Chairman and Vice-Chairman shall initially be elected for a one year term, which may be extended for one additional year by a favorable vote of a majority of the Committee members.

Rule 5: The Chairman's duties include presiding over all Committee meetings, establishing subcommittees, responding to members' requests for information, signing communications on behalf of the Committee and representing the Committee before the Board and other governmental and quasi-governmental bodies, subject to the approval of the other Committee members.

Rule 6: In the absence or inability of the Chairman to preside over the meetings, the Vice-Chairman will perform such duties. If neither the Chairman nor Vice-Chairman is able to preside, the Committee shall select one of the members to act as Chairman pro-tem. The Chairman pro-tem shall have all the powers and duties of the Chairman during the absence of the Chairman.

Rule 7: The Chairman shall preserve order and decorum. The Committee shall operate under Roberts' Rules ("Rules") and the Chairman shall decide all questions of order (unless overridden by a majority of the Committee members present) consistent with such Rules.

IV. PUBLIC PARTICIPATION

Rule 8: Every person addressing the Committee shall be limited in his remarks to three minutes, unless an extension is granted by the Chairman.

V. SCOPE OF COMMITTEE'S AUTHORITY AND OBJECTIVES

Rule 9: The scope of Committee's authority was originally established based on the Board Resolution No. 95-271, dated April 25, 1995 as amended by any subsequent Board action. The general scope of the Committee's authority and objectives are summarized below. Specific authority, objectives, and procedures are fully described in the County of Orange Audit Oversight Committee Charter as approved by the Board of Supervisors on December 14, 2010.

a. To oversee the establishment and maintenance of the County's internal control structure primarily through oversight of the activities of the Internal Audit Department.

b. To oversee the quality of financial reporting activities which portray the County's financial condition, results of operations, and plans and long-term commitments, primarily through oversight of the public accounting firm providing the external audit coverage of the County's consolidated financial statements. In addition, the Committee shall review audit results of County programs for which the Board has responsibility.

c. To oversee and monitor County compliance with pertinent laws and regulations, applicable ethical standards, and conflicts of interest and fraud policies through review of the results of activities of the Internal Audit Department.

d. **T**o immediately notify the Board in writing should the Committee determine any significant or material irregularity exists in County operations.

e. To present a summary of Committee activities and significant audit results to the Board packages.

f. Duties contained in the Board approved Charter and such other duties as the Board shall prescribe from time to time.

VI. INDEMNIFICATION OF COMMITTEE MEMBERS BY COUNTY OF ORANGE

Rule 10: The County of Orange will indemnify and defend Committee members, with counsel of County's sole and exclusive choosing**,** for their participation, decisions, or actions taken on behalf of the Audit Oversight Committee. Each Committee member should also familiarize him/herself with County of Orange Conflict of Interest Code and Gift Ban Ordinance requirements and file the appropriate annual certifications.

VII. MISCELLANEOUS PROVISIONS

Rule 11: These bylaws are subject to change by the Committee, with subsequent approval by the Board.

Rule 12: Copies of these bylaws may be obtained from the County of Orange free of charge.

References:

Board of Supervisors Minute Order S102B, 12/17/02
Board of Supervisors Resolution No. 95-271.
Board of Supervisors Minute Order 18444