

EXECUTIVE ORDER 19-001

EXECUTIVE ORDER IMPOSING CONTINUING INTEGRITY REQUIREMENTS ON COUNTY FINANCES

WHEREAS, County of Chemung, through its departments, offices, and authorities, conducts municipal business through contracts to construct public works, obtain goods/services, and provides services, collects public funds in various capacities; and thereby is charged with receiving, keeping, and disbursing public revenues; and

WHEREAS, it is imperative that the County conduct business in a responsible manner to ensure that taxpayer dollars are not paid to entities or individuals who may be incapable of providing satisfactory performance, or fail to comply with existing laws; and

WHEREAS, the annual audit performed on 2018 Chemung County finances has been completed and the final report recommends the establishment of an audit committee to provide independent review and oversight of the County's financial reporting processes and internal controls; and

WHEREAS, the County Executive, as the Chief Budget Officer, and the County Treasurer, as the Chief Accounting Officer and Chief Audit Officer, intend to create an "Audit Committee" for Chemung County to promote integrity by officials and employees of Chemung County to be independent, impartial and free from conflicts of interest in fulfilling their public responsibilities; and

WHEREAS, it is an expressed goal of the Executive Branch of the County to create a culture of transparency, accountability, and integrity of the County government.

NOW, THEREFORE, I, **Christopher J. Moss**, Executive of the County of Chemung, by virtue of the authority vested in me by the Chemung County Charter §§ 301, & 302, and laws of the State of New York, do hereby order and direct as follows:

Chemung County now creates an **Audit Committee** for the following purposes:

- (1) To provide an independent review of the County government's financial reporting processes, internal controls, and independent auditors.
- (2) To provide a forum separate from management in which auditors and other interested parties can candidly discuss concerns; and
- (3) To ensure that management properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management's practices, and that the independent auditors, through their own review, objectively assess the County government's financial reporting practices, and compliance with legal, regulatory, and ethical requirements; and
- (4) The Audit Committee is composed of three residents of the County of Chemung, appointed annually. One appointment by the County Treasurer (Chairperson), one appointment by the Legislative Chairperson, and one appointment by the County Executive. Once appointed, members remain on the Audit Committee for the duration of their term of office unless they resign or are removed by the County Treasurer; and
 - a. The Committee members collectively shall possess the ability to conduct an external audit, and the internal audit activities of the County. Accordingly, the Audit Committee's members, collectively, shall:
 - i. Possess the requisite knowledge necessary to understand technical and complex financial reporting issues; Have the ability to communicate with auditors, public finance officers, and County employees; and be knowledgeable about County internal controls, financial statement audits, and management/operational audits; and

- ii. 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; and
 - iii. Report on the scope and breadth of committee activities and their review of significant findings on suspected fraud, waste or abuse, or significant internal control findings and activities of the internal control function.
 - iv. Report on indications of material or significant non-compliances with laws or County policies and regulations.
- b. The Audit Committee member shall be independent of the conflicts and independence of a member is satisfied only under the following circumstances:
- i. The member has no financial relationship with the County, nor is the member a partner, shareholder or officer of an organization that has a financial relationship with the County;
 - ii. Neither the member nor any member's immediate family is an employee of the County;
 - iii. Neither the member nor any member's immediate family is currently employed by the County, or has in the past three years been affiliated with or employed by, a present or former auditor of the County;
 - iv. Neither the member nor any member's immediate family receives or has received in any of the past three years direct or indirect compensation from the County for consulting, legal or financial services, regardless of the amount received and regardless of whether it is or was paid to the member or to a firm with which the member or any member's relative was associated; and
 - v. The member is in compliance with all standards regarding the independence of auditors as may appear in Generally Accepted Government Auditing Standards, or standards established by the New York State Comptroller's Office.

(5) The Audit Committee shall serve without compensation, and there shall be no expenditure of County funds by the Committee without the express prior consent by the County Executive and approval of the Legislature; and

(6) During the exercise of duties and responsibilities, the Audit Committee members may have access to County confidential financial information. The Audit Committee shall have an obligation to the County to maintain the confidentiality of such information.

(7) The Audit Committee shall meet at such times and places as set forth by the Committee. Audit Committee shall file a semi-annual report with the County Treasurer, County Executive, and the County Legislature.

G I V E N under my hand and the Privy Seal of the County in the City of Elmira this twenty-fourth day of September in the year two thousand nineteen.



County of Chemung
State of New York

Christopher J. Moss
Chemung County Executive