AUDIT COMMITTEE of the
OREGON PUBLIC DEFENSE COMMISSION

Members

Chairperson

Jaclynn Moore

External Members

Deanna Horne
Reid Kajikawa
John Hutzler

OPDC Commission

Haley Olson

OPDC Agency

Ralph Amador
Kimberley Freeman
Scott Martin (non-voting)

Audit Committee Work Session Meeting

Thursday, November 12, 2026, 9:00-10:00am via Zoom.

Public Zoom link: https://zoom.us/j/99107604169
AC Members and panelists will receive a separate link via email to participate in the meeting.

Agenda

Approx. Duration	Discussion Item	Presenter
9:00-9:05 (< 5 min)	Call to Order and Review of Purpose.	Jaclynn & Scott M. (Inform)
9:05-9:40 (35 Mins)	AC member input. Each AC member will have a proportionate amount of time to share a list of items they prefer to be retained, added, or removed.	AC Members (Inform)
9:40-9:55 (15 Mins)	AC member discussion. This will be a time to complete the sharing of input (if not completed previously), to add any needed clarification and discuss shared input.	AC Members (Discuss)
9:55-10:00 (5 Mins)	Review input, action items and/or parking lot tasks.	Jaclynn & Scott M. (Inform)
10:00am	Adjourn	Jaclynn M. (Inform)

OPDC AUDIT COMMITTEE CHARTER

[Draft for CAE Council Input]

This charter defines the authority, responsibility, and structure of the Audit Committee (Committee), a "Special Committee" of the volunteer Oregon Public Defense Commission The commission is the governing body of the Oregon Defense Commission (OPDC) an agency by the same name. This charter will refer to the agency as "OPDC" or "Agency" and its governing commission as the "Commission". As required by Oregon Administrative Rule (OAR), this charter includes the Committee's "mandate, authority, and functional reporting relationship to include the roles and responsibilities of the audit committee and its members."[1] As used in this charter, "audit committee," "chief audit executive," "internal audit function," "professional auditing standards," "risk," "risk assessment," "audit plan," and "independence" have the meanings given those terms in OAR 125-700-0015.

A. Authority and Purpose of the Committee

1. "Each agency having an internal audit function shall establish and maintain an audit committee[2]."

2. "The primary purpose of the Committee is to enhance the quality and independence of the audit function, thereby promoting the integrity of the internal and external audit processes."[3]

B. Reporting Responsibilities

1. Regularly report to the commission about committee activities.

2. Confirm annually in notes to meeting minutes that all responsibilities outlined in this charter have been carried out.

3. Provide an open avenue of communication between internal audit, the external auditors, and the Commission.

C. Duties

1. The Committee shall ensure the integrity and effectiveness of the Agency's internal audit function and provide guidance to the Chief Audit Executive to ensure the quality and independence of internal and external audits.

[1] OAR 125-700-0135(5)(a).
[2] OAR 125-700-0135(5), first sentence.
[3] OAR 125-700-0135(5), second sentence. Note: On January 1, 2025, OPDC became part of the Executive Branch to which Oregon Administrative Rules apply.

2. The Committee shall perform the requirements as outlined in OAR 125-700-0135(5)(a) through (d).

3. The Committee and its members shall perform the following duties:

    a. Ensure the quality and independence of the internal audit function.

    b. Provide input to the Chief Audit Executive on risk assessments, which forms the basis of the internal audit plan.

    c. Provide input to the Chief Audit Executive on the creation or modification of the internal audit plan, which establishes audit priorities, goals and objectives, and a three-year auditing work schedule.

    d. Review and approve the audit plan as required by OAR 125-700-0140(2).

    e. Inform the Executive Director in writing of any concerns regarding the job description of an internal auditor that affect the internal auditor's independence and objectivity.

    f. Inform the Executive Director in writing if the Chief Audit Executive provides written notification that the Internal Audit resources are inadequate to accomplish the objectives of the internal audit function.

    g. Bring to the attention of agency management the need for sufficient budget resources to ensure an adequate level of internal audit staffing, continuing professional education for staff, and periodic external peer reviews as required by professional auditing standards.

    h. Ensure follow-up of internal audit report findings and recommendations to determine whether proper corrective action has been completed or if Agency management has explicitly assumed the risk of not taking the recommended corrective action.

    i. Inform the Chief Audit Executive if, in the judgement of the Committee, Agency management is assuming an unreasonable level of risk.

    j. Identify the level of audit resources that will provide the Committee and the Commission with the desired amount and scope of information on which to make reliable risk-based decisions.

    k. Review internal and external audit findings and recommendations, in combination with auditees' proposed mitigations, and share any concerns with the Chief Audit Executive.

l. Understand the scope of internal and external auditors' reviews of internal control over financial and performance reporting, and obtain reports on significant findings and recommendations, together with Agency management's responses.

m. Monitor the quality of the internal audit function and report to the Commission and Executive Director, at least annually, any improvement actions recommended by the Audit Committee to the Chief Audit Executive.

n. Provide input to the performance appraisal of the Chief Audit Executive.

o. Provide input on any Commission request for audits to be performed by the Secretary of State Audits Division or other independent consultants.

p. Ensure periodic external peer reviews of the internal audit function (external Quality Assurance Reviews) required by OAR and professional auditing standards.

q. Receive external peer review reports and communicate to agency management any applicable changes and improvements recommended therein.

r. Review with Agency management, and the Secretary of State Audit's Division financial auditors, the results of the Audits Division's annual financial statement audit, including any difficulties encountered.

s. Maintain confidentiality of communications and deliberations.

t. Be informed by the Executive Director of the appointment or dismissal of the Chief Audit Executive before such actions become effective. Objections, if any, of such actions will be made part of the committee minutes and forwarded to Agency management and the Commission.

4. The Committee and its members shall perform the following duties at least annually:

a. Obtain from the Chief Audit Executive annually a report on compliance with professional auditing standards and any challenges in meeting these standards.

b. Receive and review the internal audit annual report prepared for the Oregon Department of Administrative Services.

c. Report to the Commission on Committee activities.

5. The Committee and its members shall perform the following duties periodically:

    a. Every two years review and assess the adequacy of the Committee charter and report any concerns to the Commission. This review and assessment must include the evaluation of any periodic assessment by the Chief Audit Executive that has been communicated to the Committee under OAR 125-700-0140(5) or external assessment report provided to the Committee under OAR 125-700-0145(2) that has been received by the Committee since the Committee's most recent review and assessment of the Committee charter.

    b. Periodically review significant exam findings by regulatory agencies, as well as audit findings and investigations of misconduct and fraud, to stay current on regulatory trends and relevant auditing matters.

    c. Confirm annually, via Committee meeting minutes, that all responsibilities outlined in this charter have been carried out.

D. Composition

1. The Committee is composed of between seven and nine voting members, a majority of whom shall be "external members." External members shall not be employees of the Agency or members of the Commission.

2. The Committee shall include the following voting members:

    a. At least one Commission member, who shall be appointed by the Commission Chairperson.

    b. The Agency's Executive Director, or designee.

    c. The Agency's Budget and Finance Manager, or designee.

    d. Between four and six additional members appointed by the Chairperson of the Committee, in consultation with the Executive Director, the Chief Audit Executive, and other Committee members, and ratified by the Commission.

3. The Chief Audit Executive serves as a non-voting member of the Committee.

4. Committee Chairperson

    a. Qualification: The Chairperson of the Committee shall be an external member who was appointed to the Committee under subsection (2)(d) of this section, and shall not be an employee of the Agency or member of the Commission

b. The Chairperson of the Committee shall be selected from current Committee members. Qualified Members may volunteer to serve as Chairperson of the Committee or may accept nomination to serve as Chairperson of the Committee from other members.

c. The Chairperson is elected by the affirmative vote of a majority of committee members present and voting.

d. The term of office as Chairperson is two years, with no term limits. The Chairperson's term of office begins immediately after the Chairperson is elected in the manner provided in paragraph (c) of this subsection and continues for the duration of their term as an external member.

5. Terms of Office

a. Agency members and the Commission member serving on the Committee may serve for as long as they hold their positions described in section 2(a) to (c) of this section.

b. External members appointed under section 2(d) of this section may serve consecutive two-year terms without limitation with Committee approval, subject to ratification by the Commission.

E. Appointment of Committee Members

1. Candidates for the Committee may be nominated by any current member of the Committee. Nominations should reflect the Committee's need for a variety of perspectives.

2. The Committee Chairperson shall carry out the following duties regarding appointment of committee members:

a. Monitor turnover and take steps to bring in new Committee Members at least every four years.

b. Work with the Agency's Executive Director or designee and the Chief Audit Executive to identify and initially screen candidates.

c. Consult with the Committee members and the Executive Director to select new appointees.

d. Appoint new members, subject to ratification by the Commission at their next meeting opportunity.

e. Work with Agency management to schedule meetings and set the agenda.

3. Committee Members shall strive to select Committee Members who reflect a diversity of perspectives, backgrounds, interests and experiences, including but not limited to: varying geographic locations (including a diversity of urban and rural locations) and varying socio-economic, educational, and cultural backgrounds. Failure to achieve or maintain any precise composition shall not prohibit the Committee from meeting or conducting activities.

4. Conflicts of Interest

    a. It is the responsibility of a Committee member to disclose the general nature of any conflict of interest, whether potential or actual conflict, to the Committee. Such disclosure must be made at the meeting where the issue is being discussed and on the record.

    b. A voting member of the Committee member may abstain from voting only if the member has an actual or potential conflict of interest in the issue being voted on.

F. Removal of Committee Members

1. Committee Members must attend, virtually or in person, no fewer than 3 of 4 quarterly Committee meetings in a rolling 12-month period, unless excused by the Committee Chairperson.

2. External members who fail to attend more than one quarterly meeting within a rolling 12-month period, unless excused by the Chairperson, may be removed from membership by the committee Chairperson.

3. Any member of the Audit Committee may be removed by a majority vote of the Audit Committee subject to ratification by the Commission. Pending the ratification of removal by the Commission, the removed Audit Committee member shall not participate in Audit Committee debate or decisions unless the Audit Committee Chair determines otherwise and for good cause shown.

4. Committee members considering resignation should notify the Committee Chairperson sufficiently in advance such that a replacement can be brought on in time for the subsequent quarterly meeting.

G. Meetings, Agendas, Minutes

1. Meeting schedule, quorum, and member duties

    a. The Committee meets quarterly, with additional meetings held as necessary. Meetings are usually about two hours per session.

b. Because of the amount of material typically covered during meetings, it is important that Committee members attend regularly, be punctual and come prepared, having reviewed the meeting materials.

c. A quorum is necessary to hold any meeting or conduct any business. A quorum is a majority of voting committee members.

d. Voting: Committee action requires the affirmative vote of a majority of the Committee members present and voting at a meeting at which a quorum is present, including the affirmative vote of at least one external member.

2. Agendas

a. Standing agenda items include

i. Review and approval of the minutes for the prior meeting.

ii. Roundtable time that allows Committee members to bring forward any audit-related issues.

iii. A report on the state of Agency operations and finances from Agency management.

b. The Chief Audit Executive shall invite Audit Committee members to submit agenda items two weeks prior to the meeting and will provide a final agenda and meeting materials one week before the meeting.

c. The Committee may invite guests, such as Secretary of State Audit Division managers, other Agency managers, or stakeholders, to present topics that promote Committee effectiveness.

d. At least once yearly, agenda items shall include:

i. A meeting between external Committee members and the Chief Audit Executive in the absence of the Commission member and Agency management.

ii. Time for the Committee to meet in the absence of the Chief Audit Executive.

iii. An opportunity for financial and performance audit managers from the Secretary of State's Audit Division to attend a Committee meeting, during which time shall be set aside for meeting with external Committee members absent the Commission member, Agency management, and the Chief Audit Executive.

e. The Chief Audit Executive will distribute the meeting agenda and meeting-related material to Committee Members at least five working days before the next scheduled meeting.

f. A master file containing meeting agendas, minutes, and meeting materials shall be maintained by Agency management.

3. Staffing for Meetings

a. Agency management will provide support staff to attend Committee meetings and prepare written minutes.

b. The support staff will provide an electronic draft of the minutes to the Chairperson and Chief Audit Executive for review and revision, as necessary, within seven days following the meeting.

Public Defense Services Commission
AUDIT COMMITTEE CHARTER

Adopted: December 5, 2022

This document describes the authority, responsibilities, and structure of the Audit Committee (Committee), a Subcommittee of the Public Defense Services Commission (Commission).

A. Purposes

The Committee provides governance and oversight of Internal Auditing for the Commission and the Commission's Office of Public Defense Services (OPDS). The primary purpose of the Committee is to enhance the quality and independence of the audit function, thereby promoting the integrity of the internal and external audit processes. The Committee, in consultation with the Chief Audit Executive and OPDS executive leadership, sets the priorities of the Internal Audit function, promotes a strong internal control environment, and evaluates the adequacy of Management's responses to risks or weaknesses identified through audits, reviews, or other processes, including those performed by external parties. Committee Members are also involved in appraising the value of, and assuring the sufficient funding of, the Internal Audit function. The Committee shares the Commission's equity values, which inform the Committee's decisions.

B. Authority

In accordance with HB 5030 (2021), the Commission delegates authority to the Committee for accomplishing the duties set forth below. This structure mirrors executive branch Administrative Rules, internal audit professional *Standards*, and best-practices, which specify the audit committee as the governance body to which the Internal Audit function reports.

C. Duties

The Committee generally shall ensure the integrity and effectiveness of the Internal Audit function, and enhance the quality and independence of both external and internal audits. The Internal Audit function reports functionally to the Committee. In this role the Committee and its members shall:

- Assure the independence of the Internal Audit function, and annually obtain from the Chief Audit Executive: a statement of Code of Ethics compliance and disclosures of actual or perceived conflicts of interest;
- Provide input on risk assessments, which form the basis of the Internal Audit Plan;
- Provide input to, and approve, the Internal Audit Plan, which sets out goals, objectives, and a three-year work schedule;
- Receive internal and external audit reports. Evaluate audit findings, recommendations, and auditees' proposed mitigations in the context of the Commission's risk tolerance;
- Assure follow-up on Internal Audit report findings and recommendations to determine whether proper corrective action has been completed or that Management has explicitly assumed the risk of not taking the recommended corrective action;
- Advise Management, the Chief Audit Executive, and/or the Commission, as appropriate if, in the judgment of the Committee, Management is assuming an unreasonable level of risk;
- Be informed by the Chief Audit Executive, in writing, of scope or resource limitations placed on the Internal Audit function;
- Receive and review the Internal Audit annual report that is prepared for the Oregon Department of Administrative Services;
- At least annually report to the Commission on Committee activities;

- Obtain from the Chief Audit Executive an annual report on compliance with auditing *Standards* and any challenges in meeting these *Standards*.
- Monitor, and recommend actions to improve, the quality of the Internal Audit function;
- Participate in the performance appraisal of the Chief Audit Executive;
- Provide input on the Commission's requests for audits to be performed by the Secretary of State Audits Division or other independent consultants;
- Identify the level of audit resources that will provide the Committee and the Commission the desired amount and scope of information on which to make reliable risk-based decisions;
- Advocate for adequate budget resources to provide continuing professional education for Internal Audit staff, periodic external peer reviews as required by professional auditing *Standards*, and an adequate level of audit staff;
- Obtain periodic external peer reviews of the Internal Audit function (external Quality Assurance Reviews) that are required by Oregon Administrative Rules and audit *Standards*. Receive reports of external reviews, and direct changes and improvements recommended therein;
- Annually review and approve the charters of the Committee and of the Internal Audit function;
- Be advised by OPDS Management of the imminent appointment or dismissal of the Chief Audit Executive before such action becomes effective. Objections, if any, of such actions will be made part of the Committee minutes and forwarded to Management and the Commission;
- Consider the effectiveness and adequacy of, and compliance with, financial and programmatic internal control systems, including information technology security and control;
- Understand the scope of internal and external auditors' reviews of internal control over financial and performance reporting, and obtain reports on significant findings and recommendations, together with Management's responses. Review significant accounting and reporting issues, including those related to complex or unusual transactions, highly judgmental areas, and recent professional and regulatory pronouncements;
- Review with Management, and the Secretary of State Audits Division financial auditors, the results of the Audits Division's annual financial statement audit, including any difficulties encountered.
- Maintain the confidentiality of communications and deliberations.

D. Composition

The Audit Committee is composed of between seven and nine voting Members, a majority of whom shall not be employees of the OPDS or Members of the Commission. The Chairperson of the Committee shall not be an employee of the OPDS or member of the Commission. The Audit Committee includes the following Members:

- At least one Commission member, as appointed by the Commission Chairperson
- The OPDS Executive Director, or designee
- The OPDS Budget and Finance Manager, or designee
- Between four and six additional External Members, appointed by the Chairperson of the Committee, in consultation with the OPDS Executive Director or designee, the Chief Audit Executive, and the other Committee Members, and ratified by the Commission.
- The Chief Audit Executive serves as a non-voting member of the Committee.

Diversity and equity shall be considered in the selection of Committee Members. Failure to achieve or maintain a precise composition shall not prohibit the Committee from meeting or conducting activities.

E. Appointment, Terms and Succession
Candidates for the Committee may be nominated by any member, nominations should reflect the Committee's need for a variety of perspectives. The Chairperson will work with the OPDS Executive Director or designee, and the Chief Audit Executive, to initially screen candidates. The credentials of qualified candidates will be presented to the full Committee for deliberation and decision, to be ratified by the Commission.

OPDS managers and Commission Committee Members may serve for as long as they hold their positions. External Members are appointed for two-year terms, but with Committee approval may serve consecutive terms with no specified limit. However, the Chairperson will monitor turnover and take steps to bring in new Members at least every four years. Members considering resignation should attempt to notify the Committee sufficiently in advance such that a replacement can be brought on in time for the subsequent quarterly meeting.

The Chair of the Committee will be filled by a current Committee member. Members may volunteer or accept nomination from other members. The Chair's term will begin upon affirmative vote by a majority of members. The term of office for the Chair will be two years, with no term limits.

F. Meetings, Agendas, Minutes
The Audit Committee meets quarterly, with additional meetings held as necessary. Meetings are usually about two hours per session. Because of the amount of material typically covered during meetings, it is important that Members attend regularly, be punctual and come prepared, having reviewed the meeting materials. A quorum is necessary to hold a meeting and conduct business. Robert's Rules of Order shall guide proceedings. Should any action come before the Committee which requires a vote, and a Committee member has an actual or perceived conflict of interest, that member shall declare the conflict and refrain from voting on the action.

Standing agenda items include review and approval of the minutes for the prior meeting and roundtable time that allows Committee Members to bring forward any audit-related issues. Standing presentation and discussion of the state of OPDS operations and finances will be led by OPDS Management. The Committee may also invite guests, such as Secretary of State Audit Division managers, other OPDS managers, or stakeholders, to present topics that promote Committee effectiveness. The Chief Audit Executive will coordinate development of the remainder of the agenda by polling Committee Members one-to-two weeks prior to the quarterly meeting and three to five days prior to any supplemental meeting.

At least once a year, time on the agenda will be set aside for the external Audit Committee Members to meet with the Chief Audit Executive in the absence of Commission and OPDS managers. Likewise, during at least one meeting per year, time will be set aside for the Committee to meet in the absence of the Chief Audit Executive. At least once a year, financial and performance audit managers from the Secretary of State's Audits Division will be invited to a meeting, during which time shall be set aside for meeting with external Committee Members absent the Commission member, OPDS management, and the Chief Audit Executive.

OPDS Management will provide support staff to attend Committee meetings and prepare written minutes. The support staff will forward an electronic version of the minutes to the Chair and the Chief Audit Executive, who will distribute them along with any other material for review to Committee

Members at least five working days before the next scheduled meeting. A master file containing meeting agendas, minutes, and meeting materials shall be maintained by OPDS management.

END