

July 2, 2007

Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

**SUBJECT: PROPOSED REPEAL OF SCHOOL BOARD RULE: INITIAL
READING 6Gx13- 2C-1.141, EXTERNAL AUDITING FIRMS,
ROTATION POLICY**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

**LINK TO DISTRICT
STRATEGIC PLAN: ENSURE ADEQUATE AND EFFECTIVE INTERNAL
CONTROLS AND OPERATIONAL EFFICIENCY**

The Audit Committee "Serve[s] as the Committee to select and recommend the hiring of the external audit. According to School Board Rule 6Gx13- 2C-1.141, External Auditing Firms, Rotation Policy:

The School Board of Dade County has a policy of rotation of its external auditors at least every five years. The agreement with the external auditors is negotiated for three years with an option to renew for two additional years or not to exceed a maximum audit period of five years. To properly effectuate the rotation policy, the audit firm at the end of the audit period will be precluded from submitting proposals.

At the School Board Audit Committee meeting held on June 26, 2007, the Audit Committee voted (unanimously) to recommend that the Board initiate rulemaking proceedings to repeal School Board Rule 6Gx13- 2C-1.141 at its July 11, 2007, School Board meeting. The limited field of large auditing firms capable of handling large engagements was cited by the audit committee as the basis for this recommendation. The Audit Committee members were of the opinion that repeal of the current Rule would afford the District the additional flexibility needed to secure the services of the best qualified firm at a competitive fee.

Pursuant to the Audit Committee's recommendation this item is submitted for the Board's consideration to initiate rulemaking proceedings to repeal School Board Rule 6Gx13- 2C-1.141.

Attached are the Notice of Intended Action and the School Board Rule proposed for repeal.

Authorization of the Board is requested for the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act to repeal School Board Rule 6Gx13- 2C-1.141, External Auditing Firm, Rotation Policy.

E-202

RECOMMENDED:

That The School Board of Miami-Dade County, Florida authorize the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act to repeal School Board Rule 6Gx13- 2C-1.141, External Auditing Firm, Rotation Policy.

AMV:em

NOTICE OF INTENDED ACTION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on July 11, 2007, its intention to repeal School Board Rule 6Gx13- 2C-1.141, External Auditing Firms, Rotation Policy, at its meeting of September 5, 2007.

PURPOSE AND EFFECT: To repeal School Board Rule 6Gx13- 2C-1.141 to reflect recommendations made by the Audit Committee. Currently, there is a limited field of large auditing firms that are capable of handling large audit engagements. Repeal of the current Rule that requires a rotation of its external auditors at least every five years would afford the District the additional flexibility needed to secure the services of the best qualified firm at a competitive fee. This repeal will take effect on September 5, 2007.

SUMMARY: Repeal Board Rule 6Gx13- 2C-1.141, External Auditing Firms, Rotation Policy, will provide more flexibility in the hiring of an external auditor given the current climate of limited auditing firms able to handle sizeable engagements.

SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED: 230.22(2) F.S.

LAW IMPLEMENTED, INTERPRETED, OR MADE SPECIFIC: 230.23(10) F.S.

IF REQUESTED, A HEARING WILL BE HELD DURING THE BOARD MEETING OF September 5, 2007, which begins at 1:00 p.m., in the School Board Auditorium, 1450 N.E. Second Avenue, Miami, Florida 33132. Persons requesting such a hearing or who wish to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative as provided by Section 120.541(1), F.S., must do so in writing by August 6, 2007, to the Superintendent of Schools, Room 912, at the same address.

ANY PERSON WHO DECIDES TO APPEAL THE DECISION made by The School Board of Miami-Dade County, Florida, with respect to this action, will need to ensure the preparation of a verbatim record of the proceedings, including the testimony and evidence upon which the appeal is to be based. (Section 286.0105, Florida Statutes)

A COPY OF THE PROPOSED REPEALED RULE is available at cost to the public for inspection and copying in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.

Originator: Mr. Allen M. Vann
Supervisor: Ms. Carolyn Spaht
Date: July 2, 2007

Administrative Operations**EXTERNAL AUDITING FIRMS, ROTATION POLICY**

The School Board of Dade County has a policy of rotation of its external auditors at least every five years. The agreement with the external auditors is negotiated for three years with an option to renew for two additional years or not to exceed a maximum audit period of five years. To properly effectuate the rotation policy, the audit firm at the end of the audit period will be precluded from submitting proposals.

The rotation policy fosters objectivity of the auditors, enhances the quality of services and brings forth different ideas and recommendations to improve the efficiency of the district operations.

REPEAL

Specific Authority: 230.22(2) F.S.

Law Implemented, Interpreted, or Made Specific: 230.23(10) F.S.

History

New: 1-6-88

THE SCHOOL BOARD OF DADE COUNTY, FLORIDA