

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

**SUBJECT: PROPOSED REPEAL OF SCHOOL BOARD RULE: FINAL 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 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. The proposed repeal to the rule will:

- afford the District the additional flexibility needed to secure the services of the best qualified firm at a competitive fee

The Notice of Intended Action was published in the *Miami Daily Business Review* on July 16, 2007, posted in various places for public information and mailed to various organizations representing persons affected by the repealed rule and to individuals requesting notification.

The time to request a hearing or protest the adoption of this rule has elapsed.

In accordance with provisions of the Administrative Procedure Act, this repealed rule is presented to The School Board of Miami-Dade County, Florida, for adoption and authorization to file the rule in the official records of The School Board of Miami-Dade County, Florida.

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

RECOMMENDED: That The School Board of Miami-Dade County, Florida, repeal School Board Rule 6Gx13- 2C-1.141, External Auditing Firm, Rotation Policy, and authorize the Superintendent to file the rule with The School Board of Miami-Dade County, Florida, to be effective September 5, 2007.

AMV:em

E-200

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