

Office of Superintendent of Schools  
Board Meeting of June 18, 2003

June 17, 2003

Office of School Board Attorney  
Johnny Brown, School Board Attorney

**SUBJECT:            PROPOSED PROMULGATION OF NEW SCHOOL BOARD RULE:  
                          INITIAL READING 6Gx13- 2C-1.142, AUDIT COMMITTEE**

**COMMITTEE:        LEGISLATIVE RELATIONS, PUBLIC RELATIONS AND  
                          PERSONNEL SERVICES**

At its meeting of May 14, 2003, the Superintendent and the School Board Attorney were directed to initiate rulemaking procedures to promulgate a new rule that confirms the authorization and establishment of the Audit Committee and delineation of its powers, duties, membership and scope of authority.

Attached are the Notice of Intended Action and the proposed new rule.

Authorization of the Board is requested for the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act for the promulgation of new School Board Rule 6Gx13- 2C-1.142, Audit Committee.

**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 promulgate new School Board Rule 6Gx13- 2C-1.142, Audit Committee.

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## NOTICE OF INTENDED ACTION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on June 18, 2003, its intention to promulgate new School Board Rule 6Gx13- 2C-1.142, Audit Committee, at its meeting of August 20, 2003.

**PURPOSE AND EFFECT:** To confirm the authorization and establishment of the Audit Committee and provide a rule governing its existence.

**SUMMARY:** To provide for the Audit Committee, as an advisory committee, with duties, powers, membership and scope of authority.

**SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED:** 1001.41(1)(2); 1001.42(22); 1001.43(10) F.S.

**LAW IMPLEMENTED, INTERPRETED, OR MADE SPECIFIC:** 119.07(3)(4); 286.011; 1001.32; 1001.41(1)(2); 1012.31, F.S.

IF REQUESTED, A HEARING WILL BE HELD DURING THE BOARD MEETING OF August 20, 2003, 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 July 15, 2003, 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 NEW RULE is available for inspection and copying at cost by the public in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.

Originator: Ms. Perla Tabares Hantman  
Date: June 4, 2003

Administrative Operations

**AUDIT COMMITTEE**

I. Purpose

The general purpose of the Audit Committee is to secure and review financial and other information about the school district, to ensure that the overall audit coverage of Miami-Dade County Public Schools is sufficient and appropriate to protect the citizens of Miami-Dade County Florida; to ensure that an adequate system of internal control has been implemented in Miami-Dade County Public Schools and is being effectively followed; and to assist and advise The School Board of Miami-Dade County, Florida, and the Superintendent of Schools in matters pertaining to fiscal management of the school district.

Specific purposes of the Audit Committee are as follows:

1. Provide added protection to the School Board in discharging its responsibilities;
2. Assist in obtaining effective corrective action and necessary improvement based on audit findings and recommendations received from external and internal auditors; and
3. Provide credibility and support for the audit programs.

II. Membership

The members of the Audit Committee are as follows:

1. Nine voting members from the community not employed by the school district or having any direct or indirect business dealings with the school district. The nine School Board members will each select one appointee. In appointing individuals to serve on the Audit Committee, School Board members are encouraged to take into consideration representation that reflects the School Board's commitment to diversity, and select professionals with a background in accounting, finance, business, management consulting or law.
2. One voting Board member appointed by the School Board (to be rotated every two years).

3. One voting member from the community to be appointed by the Superintendent of Schools.
4. One non-voting member from the school system to be appointed by the Superintendent.
5. The Chief Auditor, who shall serve as a non-voting member.

The Audit Committee shall elect a Chair and Vice Chair each fiscal year from its ten community members. The Chair and Vice Chair shall be elected annually for no more than two consecutive years for either office. Nothing contained in this provision prohibits a member from holding the office of Chair or Vice Chair more than once during his or her tenure on the Audit Committee.

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III. Term of Service

The term of service is for two years. Committee members' terms will be staggered for one or two years to have a balance so that the Committee has continuity in its membership. Committee members appointed by Board members from even numbered districts and the Superintendent's appointee will serve an initial term of one year. Committee members appointed by Board members from odd numbered districts, and the Board member appointed by the Board will serve an initial term of two years. After each member's initial term expires, all memberships will be for a two-year term. Community members may be removed should they miss three (3) consecutive regular meetings without good cause upon a majority vote of the Audit Committee.

IV. Meetings

The Audit Committee will meet on a regular basis throughout the fiscal year with the first meeting to be scheduled in early September and the last meeting in June. The committee will meet at least seven times during the fiscal year, subject to any unforeseen circumstances such as natural disasters, emergencies, etc.

Six (6) voting members shall constitute a quorum for the Committee to meet and make recommendations.

All Committee and subcommittee meetings are governed by the requirements of Florida's Government in the Sunshine and Public Records Laws, Chapter 119, and 286.011, Florida Statutes.

Therefore, meetings of this Committee will be held in open public sessions and all materials made or received by the Audit Committee in connection with official business are open for public inspection.

The Office of Management and Compliance Audits is entrusted with the responsibility of providing service and support to the Committee, including publishing meeting notices, keeping its minutes, establishing the agenda and gathering the supporting documentation for distribution, and ensuring the smooth operation of the Committee affairs.

V. Scope of Activities

The Audit Committee is advisory in nature. Its recommendations regarding audit findings and exceptions, and other items will be provided in writing to the School Board and to the Superintendent. In its advisory role, the Audit Committee is subject to the control and direction of The School Board of Miami-Dade County, Florida.

In accordance with Chapter 119.07(3)(y), Florida Statutes, audit workpapers and notes related to such audit report are confidential and exempt from the provisions of subsection (1) and s. 24(a), Art. I of the State Constitution until the audit is completed and the audit report becomes final. An audit becomes final when the audit report is presented to the unit of local government.

VI. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are to:

1. Review audit and financial reports on a selective basis.
2. Review the audit findings contained in the audit report.
3. Review the recommendation(s) contained in the Audit Reports and Responses made by the Administration as to how the audit findings should be corrected; and the time and funding required for corrections.
4. Review, on a selective basis, corrective action being taken to eliminate audit exceptions or reasons that recommendations are not being implemented.
5. Hold discussions with and make recommendations to the School Board and the Superintendent on reported items that are not being corrected on a timely or adequate basis.

6. **Review any amendments to School Board rule 6Gx13- 2C-1.14, Office of Management and Compliance Audits, if it so chooses, and make recommendations to the School Board prior to initial reading, as deemed appropriate.**
7. **Review the annual budget of the Office of Management and Compliance Audits and make recommendations to the School Board and Superintendent as to the sufficiency of the budget. The budget shall make adequate provisions for staffing of the office, including salaries, benefits, equipment and supplies. Adequate provisions for staff development shall also be provided to maintain the highest professional standards for the office and for the use of outside resources when such professional services are deemed necessary by the Chief Auditor.**
8. **Serve as the Committee to select the Chief Auditor of the Office of Management and Compliance Audits and provide recommendations to the School Board on the person to fill the position. At the direction of the School Board, provide its recommendations on the contractual provisions for the position of Chief Auditor.**
9. **Any recommendation for the removal or transfer of the Chief Auditor and the reasons for such removal or transfer shall be brought before the Audit Committee to obtain its recommendation to the Board.**
10. **Review the services of the Chief Auditor and provide input to the School Board in connection with the Board's performance evaluations of the Chief Auditor. Written evaluations will be kept on file pursuant to Section 1012.31, Florida Statutes.**
11. **Review, provide feedback, and approve the annual Audit Plan presented by the Office of Management and Compliance Audits.**
12. **Review the operations and projects against the Audit Plan of the Office of Management and Compliance Audits to determine the progress made in the execution of the Audit Plan.**
13. **Serve as the Committee to select and recommend the hiring of the external auditing firm to conduct the required annual audit in accordance with Florida Statutes; determine areas to be emphasized in the external audits; and assist in the development of the external audit contract.**

14. Provide an effective communications link between the external and internal auditors, the School Board, and the Superintendent.
15. Submit periodic reports, at least annually, on the work of the Audit Committee, to the School Board and the Superintendent.
16. Solicit citizen input for projects designed to effect corrective action and to provide systems and procedures assistance.
17. Perform specific assignments made by the School Board.

Specific Authority: 1001.41(1)(2); 1001.42(22); 1001.43(10), F.S.  
Law Implemented, Interpreted, or Made Specific: 119.07(3)(y); 286.011; 1001.32;  
1001.41(1)(2); 1012.31, F.S.

History  
New:

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA