

Office of School Board Attorney
Walter J. Harvey, School Board Attorney

**SUBJECT: FINAL READING: PROPOSED AMENDMENT TO POLICY 6840,
*AUDIT AND BUDGET ADVISORY COMMITTEE***

COMMITTEE: PERSONNEL, STUDENT, SCHOOL, & COMMUNITY SUPPORT

**LINK TO
STRATEGIC
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

At its meeting of April 25, 2018, the School Board approved Agenda Item G-6 (Superintendent Consultation), authorizing the Superintendent to initiate rulemaking to amend Policy 6840, *Audit and Budget Advisory Committee*, to remove the requirement that the Audit and Budget Advisory Committee consult with the Superintendent when serving as the committee to make recommendations to the Board on the person to fill the position of Chief Auditor in order to be consistent with Policy 6835, *Office of Management and Compliance Audits*, which does not include the requirement.

The Notice of Intended Action was published in the *Miami Daily Business Review* on April 30, 2018, and posted in various places for public information and mailed to various organizations representing persons affected by the amended Policies and to individuals requesting notification. The time to request a hearing or protest the adoption of this amendment has elapsed.

Attached is the Notice of Intended Action and proposed policy amendment. Changes are indicated by underscoring words to be added and ~~striking through~~ words to be deleted.

RECOMMENDED: The School Board of Miami-Dade County, Florida, adopt the proposed amendment to Board Policy 6840, *Audit and Budget Advisory Committee*, and authorize the Superintendent to file the amended policy with The School Board of Miami-Dade County, Florida, to be effective June 20, 2018.

1 AUDIT AND BUDGET ADVISORY COMMITTEE

2 The general purpose of the Audit and Budget Advisory Committee is to review and
3 make recommendations to the School Board and Superintendent on fiscal
4 management matters presented to the committee by either the Board or the
5 Superintendent. The Audit and Budget Advisory Committee shall serve as the
6 principal advisory committee to assist the Board in fulfilling its fiduciary
7 responsibilities on budgeting, financial reporting and accounting and business
8 policies and practices and is the Board's principal agent in ensuring the
9 independence of the District's external and internal auditors.

10 The Audit and Budget Advisory Committee's goals are to assist in:

- 11 A. strengthening accountability for the stewardship and efficient and
12 effective use of School District funds;
- 13 B. maintaining transparency of the District's financial and business
14 operations; and
- 15 C. promoting an adequate system of internal control.

16 **Membership**

17 Members of the Audit and Budget Advisory Committee should reflect the Board's
18 commitment to diversity, have a basic understanding of finance and accounting and
19 be able to understand and interpret financial statements and audit reports.
20 Members should have a background in auditing, accounting, finance, business,
21 management consulting, or law.

22 The members of the Audit and Budget Advisory Committee are:

- 23 A. eleven (11) members and alternates from the community not
24 employed by the School District or having any direct or indirect
25 business dealings with the School District;

26
27 The nine (9) Board members will each select one (1) appointee and
28 alternate.

29
30 One (1) voting member and alternate appointed by the
31 Superintendent.

32
33 One (1) voting member and alternate appointed by the Miami-Dade
34 County Council of PTAs/PTSAs.

- 1 B. one (1) voting Board member and alternate appointed by the Chair
2 of the Board;
3
4 The Board member or alternate appointed to the Audit and Budget
5 Advisory Committee shall vote on all matters that come before the
6 Audit and Budget Advisory Committee.
- 7 C. one (1) non-voting member from the District to be appointed by the
8 Superintendent;
- 9 D. the Chief Auditor shall serve as the District's liaison and provide
10 administrative and logistical support to the Audit and Budget
11 Advisory Committee.

Alternates may only vote in the absence of the member.

12 The Audit and Budget Advisory Committee shall elect a chair and vice-chair from its
13 community members. An Audit and Budget Advisory Committee member may not
14 serve more than four (4) consecutive years as either chair or vice-chair.

15 **Term of Service**

16 The term of service is two (2) fiscal years. The terms of community members
17 nominated by Board members shall be consistent with the terms of their respective
18 nominating Board members. Newly appointed Board members shall have the
19 discretion to retain the former Board member's appointee or to nominate a new
20 committee member. A member's term may be extended beyond the two (2) year term
21 by nomination by any Board member. Community members may be removed
22 should they miss three (3) consecutive regular meetings without good cause upon a
23 majority vote of the audit committee.

24 **Meetings**

25 The Audit and Budget Advisory Committee will meet on a regular basis throughout
26 the fiscal year with the first meeting to be scheduled in early fall and the last
27 meeting in early summer. The committee will meet at least six (6) times during the
28 fiscal year, subject to any unforeseen circumstances such as natural disasters,
29 emergencies, etc.

30 When deemed necessary and appropriate, special meetings of the Audit and Budget
31 Advisory Committee may be called by the Chief Auditor or by the chair of the Audit
32 and Budget Advisory Committee. Such special meetings shall require at least
33 two (2) days prior public notice.

**THE SCHOOL BOARD OF
MIAMI-DADE COUNTY**

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1 A majority of the voting members shall constitute a quorum for the committee in
2 order to conduct business. The committee shall conduct its meetings according to
3 the most recent edition of *Robert's Rules of Order, Newly Revised*.

4
5 All committee and subcommittee meetings are governed by the Florida's Government
6 in the Sunshine and Public Records Laws, F.S. Chapter 119 and 286.011. Meetings
7 will be held in open public sessions and all materials made or received by the Audit
8 and Budget Advisory Committee in connection with official business are available for
9 public inspection.

10 The Office of Management and Compliance Audits is responsible for providing
11 administrative support to the committee, including publishing meeting notices,
12 keeping its minutes, establishing the agenda in collaboration with the chair of the
13 Audit and Budget Advisory Committee, and gathering the supporting documentation
14 for distribution, and ensuring the smooth operation of the committee affairs.

15 **Authority**

16 The Audit and Budget Advisory Committee is advisory in nature. Its
17 recommendations regarding audit findings and exceptions, and other items will be
18 provided in writing to the Board and Superintendent. In its advisory role, the Audit
19 and Budget Advisory Committee is subject to the control and direction of the Board.

20 **Duties and Responsibilities**

21 The duties and responsibilities of the Audit and Budget Advisory Committee are:

22 A. with regard to the external auditor:

23 1. serve as the committee to select and recommend the hiring of
24 the external auditing firm to conduct the District's annual
25 audit according to Florida statutes and assist in the
26 development of the external audit contract;

27 2. oversee the work and evaluate the qualifications,
28 performance, and independence of the external auditor and
29 recommend the termination or replacement of the external
30 auditor;

31 3. review with the external auditor their annual audit plan;

32 4. review the Consolidated Annual Financial Report (CAFR),
33 Management Letter, and Single Audit Report with the external
34 auditor and District staff and make recommendations as
35 appropriate;

36 5. the Chief Auditor will provide administrative support to the
37 committee for all external audit contracts.

- 1 B. with regard to the District's budgeting and financial management:
- 2 1. with the Chief Financial Officer, review proposed annual
3 budgets, revenues, and expense forecasts and forecast
4 assumptions, and budget amendments;
- 5 2. receive periodic progress reports from the Chief Financial
6 Officer regarding the District administration's collection and
7 disbursement of financial resources pursuant to the District's
8 budget;
- 9 3. receive periodic reports from and consult with the Chief
10 Financial Officer on the adequacy of the District's budget and
11 tracking system; .
- 12 4. make recommendations to the Superintendent and Board to
13 improve the quality and reliability of budgeting and
14 accounting for the results of financial operations and not
15 opine on the policy and programmatic implications of budget
16 proposals and amendments.
- 17 C. with regard to the Chief Auditor and the Office of Management and
18 Compliance Audits:
- 19 1. review the annual budget of the Office of Management and
20 Compliance Audits and make recommendations to the Board
21 and the Superintendent as to the sufficiency of the budget;
22
23 The budget shall make adequate provisions for external
24 auditing fees, staffing of the office, required continued
25 professional education/staff development, equipment, and
26 supplies. The committee should review the costs of the use of
27 outside professional services deemed necessary by the Chief
28 Auditor and make recommendations to the Board.
- 29 2. review, provide feedback and approve the annual Audit Plan
30 presented by the Chief Auditor;
31
32 Receive periodic updates on the progress in completing the
33 Audit Plan and confer with the Chief Auditor on any
34 significant changes in the required planned scope of the
35 annual Audit Plan.

1 3. review the operations and projects against the Audit Plan to
2 determine the progress made in the execution of the Audit
3 Plan;

4 4. review internal audit reports with the Chief Auditor and
5 District administration and make recommendations regarding
6 audit findings, recommendations, and management
7 responses;

8 5. serve as the committee, ~~in consultation with the~~
9 ~~Superintendent,~~ to make recommendations to the Board on
10 the person to fill the position;

11
12 At the request of the Board, the committee will provide
13 recommendations on the contractual provisions for the
14 position of Chief Auditor. Prior to negotiation of the
15 employment contract, the Board shall conduct a workshop to
16 provide guidance to the Board's designated negotiator.

17 6. any recommendation for the removal or transfer of the Chief
18 Auditor not made by the Audit Committee and the reasons for
19 such removal or transfer shall be brought before the
20 committee to obtain its recommendation to the Board;

21 7. in conjunction with Board members and at each Board
22 member's sole discretion, review the Chief Auditor's
23 performance. Written evaluations will be kept on file.

24 D. review and make recommendations on the audited financial
25 statements of the District's charter schools, community-based
26 organizations, direct support organizations and audits of impact
27 fees, and any other relevant external audits brought before the
28 committee;

29 E. review and make recommendations on District-related audit reports
30 prepared by Federal and State auditors;

31 F. provide an effective communication link between the external and
32 internal auditors, the Board, and the Superintendent to accomplish
33 the following objectives:

34 1. completeness of audit coverage;

- 1 2. reduction of redundant efforts; and
- 2 3. effective use of audit resources.
- 3 G. receive and comment on periodic updates of selected audit follow-up
4 regarding corrective action(s) being taken by the administration to
5 implement audit recommendations;
- 6 H. submit periodic reports, at least annually, on the work of the Audit
7 and Budget Advisory Committee, to the Board and the
8 Superintendent;
- 9 I. review and make recommendations on any amendments to
10 Policy 6835, Policy 6840, and Policy 0157;
- 11
- 12 At the request of the Board, provide input to the Board with respect
13 to the selection of the Inspector General, and with regard to the
14 operation of the Inspector General as more specifically outlined in
15 Policy 0157.
- 16 J. receive and review reports from the Inspector General and receive,
17 review, and monitor corrective action plans and responses
18 submitted pursuant to Inspector General reports or
19 recommendations.

20 F.S. 119.07(3)(y), 286.011, 1001.32, 1001.41(1)(2), 1012.31

21 Revised 10/19/11
22 Revised 4/18/12
23 Revised 6/19/13
24 Revised 9/3/14

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