

Related Entries: (Not identified at this time)

Auditor Selection Procedures

(1) Annual Financial audit

The School Board, prior to entering into a written contract pursuant to subsection (5), except as provided in subsection (5)(c), shall use auditor selection procedures when selecting an auditor to conduct the annual financial audit required by Florida Statute 218.39.

(2) Auditor Selection Committee

The School Board shall establish an auditor selection committee.

(a) The auditor selection committee must consist of at least three members. One member of the auditor selection committee must be a member of the School Board, who shall serve as the chair of the committee.

(b) An employee, a chief executive officer, or a chief financial officer of the School Board may not serve as a member of an auditor selection committee. However, an employee, a chief executive officer, or a chief financial officer of the School Board may serve in an advisory capacity.

(c) The primary purpose of the auditor selection committee is to assist the School Board in selecting an auditor to conduct the annual financial audit required by Florida Statute 218.39. However, the committee may serve other audit oversight purposes as determined by the School Board. The public may not be excluded from the proceedings.

(3) Responsibilities of the Auditor Selection Committee

The auditor selection committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.

1. Factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and other factors as may be determined by the committee to be applicable to its requirements.

- 42 (b) Publicly announce requests for proposals. Public announcements must include, at
43 minimum, a brief description of the audit and indicate how interested firms can apply
44 for consideration.
45
- 46 (c) Provide interested firms with a request for proposal. The request for proposal shall
47 include information on how proposals are to be evaluated and other information that
48 the committee determines is necessary for the firm to prepare a proposal.
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- 50 (d) Evaluate proposals provided by qualified firms. Although compensation is a factor
51 established by paragraph (a) of this policy, it shall not be the sole or predominant
52 factor used to evaluate proposals.
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- 54 (e) Rank and recommend in order of preference no fewer than three firms deemed to be
55 the most highly qualified after considering the factors established by paragraph (a) of
56 this policy. If fewer than three firms respond to the request for proposal, the committee
57 shall recommend firms it deems to be the most highly qualified.
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59 **(4) Selection and Negotiations with Qualified Firms**

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- 61 (a) The School board shall inquire of qualified firms as to the basis of compensation,
62 select one of the firms recommended by the auditor selection committee, and
63 negotiate a contract, using one of the following methods:
64
- 65 1. If compensation is not one of the factors established under paragraph (3)(a) and
66 not used to evaluate firms, the School Board shall negotiate a contract with the
67 firm ranked first. If the School Board cannot negotiate a satisfactory contract with
68 that firm, negotiations shall be formally terminated, and the School Board shall
69 undertake negotiations with the second-ranked firm. If negotiations with the
70 second-ranked firm fail, then negotiations shall be terminated, and negotiations
71 with the third-rank firm shall commence. Negotiations with other ranked firms
72 shall be undertaken in the same manner. The School Board may reopen formal
73 negotiations with any of the top three ranked firms, but may not negotiate with
74 more than one firm at a time.
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 - 76 2. If compensation is one of the factors established under paragraph (3)(a) and
77 used in the evaluation of proposals, the School Board shall select the highest-
78 ranked qualified firm or must document in its public records the reason for not
79 selecting the highest-ranked qualified firm.
80
 - 81 3. The School Board may select a firm recommended by the audit committee and
82 negotiate a contract with one of the recommended firms using an appropriate
83 alternative negotiation method for which compensation is not the sole or
84 predominant factor used to the select the firm.
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86 4. In negotiations with firms, the School Board may allow a designee to conduct
87 negotiations on its behalf.

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89 (b) The method used by the School Board to select a firm recommended by the audit
90 committee and negotiate a contract with such firm must ensure that the agreed-upon
91 compensation is reasonable to satisfy the requirement of Florida Statute 218.39 and
92 the needs of the School Board.

93

94 (c) If the School Board is unable to negotiate a satisfactory contract with any of the
95 recommended firms, the committee shall recommend additional firms, and
96 negotiations shall continue in accordance with this policy until an agreement is
97 reached.

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99 **(5) Procurement of Audit Services**

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101 (a) Every procurement of audit services shall be evidenced by a written contract
102 embodying all provisions and conditions of the procurement of such services. An
103 engagement letter signed and executed by both parties shall constitute a written
104 contract.

105

106 (b) A written contract for procurement of audit services shall, at minimum, include the
107 following:

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109 1. A provision specifying the services to be provided and fees or other compensation
110 for such services.

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112 2. A provision requiring that invoices for fees or other compensation be submitted in
113 sufficient detail to demonstrate compliance with the terms of the contract.

114

115 3. A provision specifying the contract period, including renewals, and conditions
116 under which the contract may be terminated or renewed.

117

118 (c) Written contracts entered into pursuant to section (5)(a) and (b) may be renewed.
119 Renewals may be done without the use of the auditor selection procedures provided
120 in this policy. Renewal of a contract shall be in writing.

121

122 (d) If the School Board fails to select the auditor in accordance with the requirements of
123 subsections (3) and (4), the School Board must again perform the auditor selection
124 process in accordance with this selection to select an auditor to conduct audits for
125 subsequent fiscal years.

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127 **STATUTORY AUTHORITY:** 218.391, 1001.41, 1001.42, 1001.43 F.S.

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129 Adopted: 8/31/2021