

HOUSE BILL 166

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; REQUIRING A CHARTER SCHOOL TO REPORT QUARTERLY TO ITS AUTHORIZER ON RESOLVING AUDIT FINDINGS UNTIL CLEARED BY A SUBSEQUENT AUDIT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 22-8-12.3 NMSA 1978 (being Laws 2010, Chapter 115, Section 1) is amended to read:

"22-8-12.3. LOCAL SCHOOL BOARD FINANCE SUBCOMMITTEE-- AUDIT COMMITTEE--MEMBERSHIP--DUTIES.--

A. As used in this section, "local school board" includes the governing authority of a charter school.

B. Each local school board shall appoint at least two members of the board as a finance subcommittee to assist the board in carrying out its budget and finance duties.

C. The finance subcommittee shall:

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1 (1) make recommendations to the local school
2 board in the following areas:

3 (a) financial planning, including
4 reviews of the school district's revenue and expenditure
5 projections;

6 (b) review of financial statements and
7 periodic monitoring of revenues and expenses;

8 (c) annual budget preparation and
9 oversight; and

10 (d) procurement; and

11 (2) serve as an external monitoring committee
12 on budget and other financial matters.

13 D. Except as otherwise provided in this section,
14 each local school board shall appoint an audit committee that
15 consists of two board members, one volunteer member who is a
16 parent of a student attending that school district and one
17 volunteer member who has experience in accounting or financial
18 matters. The superintendent and the school district business
19 manager shall serve as ex-officio members of the committee. A
20 local school board with more than five members may appoint more
21 than two board members to its audit committee. The audit
22 committee shall:

23 (1) evaluate the request for proposal for
24 annual financial audit services;

25 (2) recommend the selection of the financial

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1 auditor;

2 (3) attend the entrance and exit conferences
3 for annual and special audits;

4 (4) meet with external financial auditors at
5 least monthly after audit field work begins until the
6 conclusion of the audit;

7 (5) be accessible to the external financial
8 auditors as requested to facilitate communication with the
9 board and the superintendent;

10 (6) track and report progress on the status of
11 the most recent audit findings and advise the local school
12 board on policy changes needed to address audit findings;

13 (7) provide other advice and assistance as
14 requested by the local school board; and

15 (8) be subject to the same requirements
16 regarding the confidentiality of audit information as those
17 imposed upon the local school board by the Audit Act and rules
18 of the state auditor.

19 E. The audit subcommittee appointed by the
20 governing authority of a charter school shall report quarterly
21 to the charter school's authorizer on resolving outstanding
22 financial and compliance audit findings until they are resolved
23 as demonstrated by a finding of a subsequent audit."