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HOUSE BILL 227

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Rhonda S. King

AN ACT

RELATING TO PUBLIC SCHOOLS; REQUIRING LOCAL SCHOOL BOARDS AND GOVERNING AUTHORITIES OF CHARTER SCHOOLS TO ESTABLISH FINANCE SUBCOMMITTEES AND AUDIT COMMITTEES; REQUIRING MEMBERSHIP TO INCLUDE PERSONS WITH ACCOUNTING OR FINANCIAL EXPERIENCE AND PARENTS.

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

Section 1. 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 a finance subcommittee of the board 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. Each local school board shall appoint an audit
14 committee that consists of two board members, one parent of a
15 student attending that school district and members of the
16 community within the school district who have experience in
17 accounting and financial matters. The school district chief
18 financial officer or equivalent shall serve an ex-officio
19 member of the committee. The audit committee shall:

20 (1) issue and evaluate the request for
21 proposal for annual financial audit services;

22 (2) approve selection of the financial
23 auditor;

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

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

4 (5) be accessible to the external financial
5 auditors as requested to facilitate communication with the
6 board and the superintendent;

7 (6) track and report progress on the status of
8 the most recent audit findings and advise the local school
9 board on policy changes needed to ameliorate audit findings;
10 and

11 (7) provide other advice and assistance as
12 requested by the local school board.