

HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR  
HOUSE BILLS 227 & 251

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

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. A new section of the Public School Code is  
enacted to read:

"NEW MATERIAL 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

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underscored material = new  
[bracketed material] = delete

1 the board in carrying out its budget and finance duties.

2 C. The finance subcommittee shall:

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

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

8 (b) review of financial statements and  
9 periodic monitoring of revenues and expenses;

10 (c) annual budget preparation and  
11 oversight; and

12 (d) procurement; and

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

15 D. Each local school board shall appoint an audit  
16 committee that consists of two board members, one volunteer  
17 member who is a parent of a student attending that school  
18 district and one volunteer member who has experience in  
19 accounting or financial matters. The superintendent and the  
20 school district business manager shall serve as ex-officio  
21 members of the committee. The audit committee shall:

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

24 (2) recommend the selection of the financial  
25 auditor;

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

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

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

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

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

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