



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Trade and Tourism Committee Meeting

January 11, 2016

9:30 A.M

Commission Chamber

Charles Anderson, CPA
Commission Auditor
111 NW First Street, Suite 1030
Miami, Florida 33128
305-375-4354

**Trade and Tourism Committee
January 11, 2016 Meeting
Research Notes**

Item No.	Research Notes																
3A 152869	<p>RESOLUTION ESTABLISHING, PURSUANT TO SECTION 218.39, FLORIDA STATUTES, AUDIT COMMITTEE FOR THE PURPOSE OF ASSISTING THE BOARD WITH THE SELECTION OF AN EXTERNAL AUDITOR AND APPOINTING MEMBERSHIP OF SAID AUDIT COMMITTEE; SETTING FORTH THE OBLIGATIONS OF THE AUDIT COMMITTEE; DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO NEGOTIATE AN AGREEMENT WITH EXTERNAL AUDITING FIRMS ON THE BASIS OF THE RANKINGS PRODUCED BY THE AUDIT COMMITTEE AND FURTHER DIRECTING THE SUBMISSION OF ANY NEGOTIATED AGREEMENT TO THE BOARD FOR APPROVAL; PROVIDING FOR PROTEST PROCEDURES; AND PROVIDING FOR THE SUNSET OF THE AD HOC AUDIT COMMITTEE</p>																
Notes	<p>The proposed resolution establishes an Audit Committee for the purpose of assisting the Board of County Commission (BCC) with the selection of an external auditor to conduct the financial audits required under Florida Statutes Section 218.39 (Section 218.39). Members of the Audit Committee are recommended based upon their technical expertise in the financial field and include senior level representatives from each of the financial segments/departments for which independent audits are to be conducted.</p> <p>The Audit Committee will consist of the following members:</p> <table border="1" data-bbox="269 976 1487 1318"> <thead> <tr> <th data-bbox="269 976 716 1014">Name</th><th data-bbox="716 976 1487 1014">Department/Title</th></tr> </thead> <tbody> <tr> <td data-bbox="269 1014 716 1087">Beth Goldsmith (Non-Voting Chairperson)</td><td data-bbox="716 1014 1487 1087">Internal Services Department, Procurement Contracting</td></tr> <tr> <td data-bbox="269 1087 716 1125">Cathy Jackson</td><td data-bbox="716 1087 1487 1125">Audit Management, Services Director.</td></tr> <tr> <td data-bbox="269 1125 716 1163">Blanca Padron</td><td data-bbox="716 1125 1487 1163">Finance Department, Deputy Director.</td></tr> <tr> <td data-bbox="269 1163 716 1201">Robert Villar</td><td data-bbox="716 1163 1487 1201">Transit Department, Deputy Director.</td></tr> <tr> <td data-bbox="269 1201 716 1239">Frances Morris</td><td data-bbox="716 1201 1487 1239">Water and Sewer Department, Chief Financial Officer.</td></tr> <tr> <td data-bbox="269 1239 716 1276">Charles Anderson</td><td data-bbox="716 1239 1487 1276">Office of the Commission Auditor, Commission Auditor.</td></tr> <tr> <td data-bbox="269 1276 716 1318">Sergio San Miguel</td><td data-bbox="716 1276 1487 1318">Aviation Department, Controller.</td></tr> </tbody> </table> <p><u>Background</u></p> <p>Pursuant to the requirements of Florida Statutes Section 218.391 (Section 218.391) (Auditor Selection Procedures), the BCC is required to establish an Audit Committee for the primary purpose of assisting the BCC in selecting an external auditor to conduct annual financial audits required by Section 218.39. The duties of the Audit Committee will include:</p> <ul style="list-style-type: none"> • Establishing factors to use for the evaluation of firms responding to competitive requests for proposals for external auditing services; • Publicly announcing requests for proposals; • Ensuring that interested firms receive the announcement; • Evaluating the proposals received in response to competitive requests for proposals; and • Ranking and recommending firms to the BCC for award. 	Name	Department/Title	Beth Goldsmith (Non-Voting Chairperson)	Internal Services Department, Procurement Contracting	Cathy Jackson	Audit Management, Services Director.	Blanca Padron	Finance Department, Deputy Director.	Robert Villar	Transit Department, Deputy Director.	Frances Morris	Water and Sewer Department, Chief Financial Officer.	Charles Anderson	Office of the Commission Auditor, Commission Auditor.	Sergio San Miguel	Aviation Department, Controller.
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	<p><u>Fiscal Impact/Funding Source</u></p> <p>There is no fiscal impact associated with the establishment of the Audit Committee. Any recommendation to award a contract resulting from the competitive process will contain the fiscal impact for that particular contract and the applicable funding source.</p> <p><u>Additional Information</u></p> <p>Section 218.39 provides, in part, that¹:</p> <p style="padding-left: 40px;"><i>If, by the first day in any fiscal year, a local governmental entity, district school board, charter school, or charter technical career center has not been notified that a financial audit for that fiscal year will be performed by the Auditor General, each of the following entities will have an annual financial audit of its accounts and records completed within nine months after the end of its fiscal year by an independent certified public accountant retained by it and paid from its public funds:</i></p> <ul style="list-style-type: none"> • <i>Each County;</i> • <i>Any municipality with revenues or the total of expenditures and expenses in excess of \$250,000, as reported on the fund financial statements;</i> • <i>Any special district with revenues or the total of expenditures and expenses in excess of \$100,000, as reported on the fund financial statements;</i> • <i>Each district school board;</i> • <i>Each charter school established under s. 1002.33;</i> • <i>Each charter technical center established under s. 1002.34;</i> • <i>Each municipality with revenues or the total of expenditures and expenses between \$100,000 and \$250,000, as reported on the fund financial statements, which has not been subject to a financial audit pursuant to this subsection for the two preceding fiscal years; and</i> • <i>Each special district with revenues or the total of expenditures and expenses between \$50,000 and \$100,000, as reported on the fund financial statement, which has not been subject to a financial audit pursuant to this subsection for the two preceding fiscal years.</i> <p style="padding-left: 40px;"><i>The County audit report must be a single document that includes a financial audit of the County as a whole and, for each County agency other than a Board of County Commissioners, an audit of its financial accounts and records, including reports on compliance and internal controls, management letters, and financial statements as required by rules adopted by the Auditor General.</i></p>

¹ http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0200-0299/0218/0218.html

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	<p>Section 218.391 (Auditor selection procedures) provides, in part, that:</p> <p><i>Each local governmental entity, district school board, charter school, or charter technical career center, prior to entering into a written contract pursuant to subsection (7), except as provided in subsection (8), will use auditor selection procedures when selecting an auditor to conduct the annual financial audit required in s. 218.39.</i></p> <p><i>The governing body of a charter county, municipality, special district, district school board, charter school, or charter technical career center will establish an Audit Committee. The primary purpose of the Audit Committee is to assist the governing body in selecting an auditor to conduct the annual financial audit required in s. 218.39; however, the Audit Committee may serve other audit oversight purposes as determined by the entity's governing body.</i></p>