

House Bill 845 (AS PASSED HOUSE AND SENATE)

By: Representatives Ridley of the 22nd, Thomas of the 21st, Scoggins of the 14th, Byrd of the 20th, Ballinger of the 23rd, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend an Act to provide for the numbering of positions of membership on the Cherokee
2 County Board of Education, approved April 17, 1973 (Ga. L. 1973, p. 3207), as amended,
3 so as to require an internal audit function of the board and to establish the position of internal
4 auditor; to provide for the selection, powers, and duties of the internal auditor; to provide for
5 internal cooperation; to provide a sunset date on the provisions governing such internal
6 auditor; to provide for related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 An Act to provide for the numbering of positions of membership on the Cherokee County
10 Board of Education, approved April 17, 1973 (Ga. L. 1973, p. 3207), as amended, is
11 amended by adding a new section to read as follows:

12 "SECTION 4C.

13 (a) There shall be an internal audit function of the board that falls under the supervision
14 of an internal auditor. The internal auditor may be either an individual employed by the
15 board or the account manager of a firm hired as provided for in this section. The internal

auditor shall be appointed by the board from a list of nominations provided by the members of the General Assembly that represent all or a part of the school district. All costs associated with the internal auditor shall be paid from the local funds of the board.

(b) The internal auditor shall be a certified internal auditor or a certified public accountant, demonstrating at least five years' experience.

(c) The internal auditor need not be a resident of the school district at the time of his or her appointment or during the period of service as the internal auditor.

(d) The internal auditor shall not be involved in partisan political activities or the political affairs of the school system.

(e) Within the budget approval process and established personnel policies for all departments, the internal auditor shall, with board approval, have the power to appoint, employ, and remove such assistants, employees, and personnel as he or she may deem necessary for the efficient and effective administration of the office.

(f) The internal auditor shall be charged with, but not be limited to, the following duties and responsibilities:

(1) To conduct one- and five-year performance and financial audits of the school system and its departments, offices, and activities in order to independently determine whether:

(A) Implemented activities and programs have been authorized by the board, the superintendent, state law, or applicable federal law or regulations and that the activities and programs are being conducted and funds expended in compliance with applicable laws;

(B) The department, office, or agency is acquiring, managing, protecting, and utilizing its personnel, property, equipment, space, and other resources, including public funds, economically, efficiently, and effectively and in a manner consistent with the objectives of the authorizing entity or enabling legislation;

(C) The organizations, programs, activities, functions, or policies are effective, including the identification of any causes of inefficiencies or uneconomical practices,

such as inadequacies in management information systems, internal and administrative procedures, organization structure, use of resources, allocation of personnel, purchasing policies, and equipment;

(D) The desired results or benefits are being achieved;

(E) Financial and other reports are being provided that fairly, accurately, and fully disclose all information that is required by law, necessary to ascertain the nature and scope of programs and activities, and necessary to establish a proper basis for evaluating the results of programs and activities, including the collection of, accounting for, and depositing of revenues and other resources;

(F) Management has established adequate operating and administrative procedures and practices, systems, or internal control accounting systems and internal management controls; and

(G) Indications of fraud or abuse or illegal acts are present;

(2) To submit an annual report to the board and each member of the General Assembly representing all or a part of the school district, indicating audits completed, major findings, corrective actions taken by administrative managers, and significant findings which have not been fully addressed by management; and

(3) To perform such other duties and responsibilities as provided for by this Act or directed by the board.

(g) All officers and employees shall allow the internal auditor immediate access to any and all books, records, documents, and other requested information, including automated data, pertaining to the business of the school system and within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts, and methods of business required to conduct an audit or other official duties. In addition, such officers and employees shall provide access for the auditor to inspect all property, equipment, and facilities within their custody. Further, all contracts with outside contractors and subcontractors shall provide for the auditor's access to all financial and performance related

records, property, and equipment purchased in whole or in part with system funds and facilities.

(h)(1) The internal auditor shall present any confidential information to the board during regularly scheduled closed executive sessions.

(2) The internal auditor shall have the opportunity to address the board at any meeting of the board following the superintendent giving any reports to the board at such meeting.

(i) The internal auditor shall not publicly disclose any information received during an audit that is confidential in accordance with any local, state, or federal law or regulation.

(j) Any reports issued by the internal auditor shall be made available for public inspection or copying at a reasonable cost.

(k) The provisions of this section shall stand repealed on July 1, 2030."

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.