

Senate Bill 601

By: Senators Halpern of the 39th, Orrock of the 36th, Kemp of the 38th, Parent of the 44th, McLaurin of the 14th and others

**AS PASSED SENATE**

A BILL TO BE ENTITLED

AN ACT

1 To amend an Act to continue the existence of the Atlanta Independent School System under  
2 the management and control of the Atlanta Board of Education, approved June 3, 2003  
3 (Ga. L. 2003, p. 4154), as amended, so as to remove residency limitations on qualifications  
4 for employment of the executive assistant to the board, chief financial officer, and internal  
5 auditor; to revise provisions related to the selection, removal, and supervision of the  
6 executive assistant to the board and the internal auditor; to provide for related matters; to  
7 repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 An Act to continue the existence of the Atlanta Independent School System under the  
11 management and control of the Atlanta Board of Education, approved June 3, 2003  
12 (Ga. L. 2003, p. 4154), as amended, is amended by revising Section 2-112 as follows:

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"SECTION 2-112.

Executive assistant to the board.

An executive assistant to the board shall be appointed and, if necessary, removed by the superintendent with the advice and consent of the board. It shall be the duty of the executive assistant to aid in the discharge of the board's official duties; to be present at all meetings of the board, except those meetings concerned with his or her salary, benefits, or tenure; to keep the minutes and make a permanent record thereof; and to do any other administrative and clerical work as needed related to such duties. The executive assistant shall record and countersign all official proceedings of the board which shall be a public record open to the inspection of any person. The board shall have direct access to the executive assistant. The superintendent and board shall jointly develop any performance goals for the executive assistant and the board shall have significant input on any annual evaluation."

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**SECTION 2.**

Said Act is further amended by revising Section 4-101 as follows:

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"SECTION 4-101.

Chief financial officer.

(a) A chief financial officer for the system shall be appointed and, if necessary, removed by the superintendent with the advice and consent of the board. Such appointment of the chief financial officer may be by a contract authorized by the board.

(b) The chief financial officer shall immediately report to the superintendent and to the board any financial irregularities or other financial matters that may violate board policy or state or federal laws, or that may subject the school system to a loss of state or federal funds or a loss of its eligibility to receive such funds. The chief financial officer shall cooperate with the internal auditor, providing requested information in a timely manner.

38 (c) Any person appointed chief financial officer shall give bond in an amount fixed and  
 39 paid by the board. The bond shall be made payable to the school system and shall be  
 40 conditioned upon faithful and true accounting for all public and other funds and all  
 41 property coming into such chief financial officer's custody, control, care, or possession.

42 (d) The chief financial officer shall have at least ten years' progressive experience in the  
 43 management of fiscal operations or public finances, with demonstrated administrative or  
 44 managerial experience in a public agency or the private sector. The number of years'  
 45 experience required in this subsection may be waived by the board upon a three-fourths'  
 46 vote of its membership.

47 (e) The chief financial officer shall audit and approve all demands or claims presented to  
 48 him or her for payment. Prior to the approval of any demand or claim, the chief financial  
 49 officer shall be entitled to require evidence that the amount of the demand or claim is justly  
 50 due. For such purposes, the chief financial officer may summon before him or her any  
 51 officer or employee of the school system or other person or make an inspection of any  
 52 service, labor, material, supplies, or equipment related to a demand or claim. If, in his or  
 53 her opinion, any demand or claim is not a legal demand or claim, he or she shall withhold  
 54 approval of the same and file such demand, together with his or her action thereon and the  
 55 reasons therefore, with the board for instructions thereon."

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### SECTION 3.

57 Said Act is further amended by revising Section 4-102 as follows:

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"SECTION 4-102.

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Internal audit function.

60 (a) The board shall establish an internal audit function that falls under the supervision of  
 61 an internal auditor. The internal auditor shall be appointed and, if necessary, removed by  
 62 the superintendent with the advice and consent of the board. Such appointment of an

63 internal auditor may be either an individual or the account manager of a firm. Such  
64 appointment of the internal auditor may be by a contract authorized by the board. The  
65 superintendent and board shall jointly develop any performance goals for the internal  
66 auditor and the board shall have significant input on any annual evaluation. At all times,  
67 the board shall have direct access to the internal auditor and all audit information.

68 (b) The internal auditor shall be a certified internal auditor or a certified public accountant,  
69 demonstrating at least ten years' experience in public financial and fiscal practices,  
70 performance and financial auditing, and municipal accounting.

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

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

77 (e) The internal auditor will be charged with, but not be limited to, the following duties  
78 and responsibilities:

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

81 (A) Activities and programs being implemented have been authorized by the board,  
82 state law, or applicable federal law or regulations and the activities and programs are  
83 being conducted and funds expended in compliance with applicable laws;

84 (B) The department, office, or agency is acquiring, managing, protecting, and using its  
85 resources, including public funds, personnel, property, equipment, and space,  
86 economically, efficiently, and effectively and in a manner consistent with the objectives  
87 intended by the authorizing entity or enabling legislation;

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

- 90 such as inadequacies in management information systems, internal and administrative  
91 procedures, organization structure, use of resources, allocation of personnel, purchasing  
92 policies, and equipment;
- 93 (D) The desired results or benefits are being achieved;
- 94 (E) Financial and other reports are being provided that disclose fairly, accurately, and  
95 fully all information that is required by law, that is necessary to ascertain the nature and  
96 scope of programs and activities, and that is necessary to establish a proper basis for  
97 evaluating the results of programs and activities including the collection of, accounting  
98 for, and depositing of revenues and other resources;
- 99 (F) Management has established adequate operating and administrative procedures and  
100 practices, systems, or accounting internal control systems and internal management  
101 controls; and
- 102 (G) Indications of fraud or abuse or illegal acts are present. If fraud or abuse by a  
103 board member is present, the matter shall be put before the ethics commission;
- 104 (2) To submit an annual report to the board indicating audits completed, major findings,  
105 corrective actions taken by administrative managers, and significant findings which have  
106 not been fully addressed by management; and
- 107 (3) To perform such other duties and responsibilities as provided for by this Act.
- 108 (f) All officers and employees shall allow the internal auditor immediate access to any and  
109 all books, records, documents, and other requested information, including automated data,  
110 pertaining to the business of the school system and within their custody regarding powers,  
111 duties, activities, organization, property, financial transactions, contracts, and methods of  
112 business required to conduct an audit or other official duties. In addition, such officers and  
113 employees shall provide access for the auditor to inspect all property, equipment, and  
114 facilities within their custody. Further, all contracts with outside contractors and  
115 subcontractors shall provide for the auditor's access to all financial and performance

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

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

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

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

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#### **SECTION 4.**

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