

Senate Bill 472

By: Senators Hickman of the 4th, Walker III of the 20th, Tillery of the 19th, Hufstetler of the 52nd, Sims of the 12th and others

**AS PASSED**

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to  
2 elementary and secondary education, so as to provide for the suspension of members of local  
3 boards of education following certain audit findings or findings by the state auditor of  
4 financial mismanagement or misconduct; to provide for employment contract terms,  
5 conditions, and limitations for local school superintendents under certain conditions; to  
6 provide for a cap on the total amount of advance distributions of state allotted funds that may  
7 be made by the State Board of Education to local units of administration; to provide for plans  
8 for monitoring, supports, and intervention; to provide for the authority of the state auditor  
9 relative to such plans; to provide that a petition signed by 10 percent of the qualified voters  
10 in an independent school system shall be required in order to hold an election to determine  
11 whether to annul the special law of the independent school system so that it becomes a part  
12 of the respective county school system or systems in which the territory of the independent  
13 school system is located; to repeal outdated terms and provisions; to make conforming  
14 changes; to amend Chapter 6 of Title 50 of the Official Code of Georgia Annotated, relating  
15 to the Department of Audits and Accounts, so as to revise provisions for financial audits of  
16 local school systems and state charter schools by and on behalf of the Department of Audits  
17 and Accounts; to require the Department of Audits and Accounts to develop and implement  
18 a program of progressive monitoring, supports, and interventions to local school systems and

S. B. 472

- 1 -

19 state charter schools; to provide for investigations of local school systems by the state  
20 auditor; to provide for an effective date; to provide for related matters; to repeal conflicting  
21 laws; and for other purposes.

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

23 **SECTION 1.**

24 Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to elementary and  
25 secondary education, is amended in Article 3, relating to local boards of education, by  
26 revising Code Section 20-2-73, relating to suspension and removal of local school board  
27 members upon potential loss of accreditation or when schools in system are turnaround  
28 eligible schools, procedures, petition for reinstatement, prohibition on use of public funds for  
29 litigation expenses, and reimbursement of expenses, as follows:

30 "20-2-73.

31 (a)(1) Notwithstanding Code Section 20-2-54.1 or any other provisions of law to the  
32 contrary, if:

33 (A) A local school system or school is placed on the level of accreditation immediately  
34 preceding loss of accreditation for any reason or reasons by one or more accrediting  
35 agencies included in subparagraph (A) of paragraph (6) of Code Section 20-3-519, the  
36 local board of education shall notify the State Board of Education in writing within  
37 three business days of such placement and the State Board of Education shall conduct  
38 a hearing in not less than ten days of such notice nor more than 90 days and recommend  
39 to the Governor whether to suspend all eligible members of the local board of education  
40 with pay; or

41 (B) One-half or more of the schools in a local school system are turnaround eligible  
42 schools, as defined in subsection (a) of Code Section 20-14-45, for the fifth or more  
43 consecutive year, the Department of Education shall notify the State Board of

44 Education in writing within three business days of the publication of the list of  
45 turnaround eligible schools by the Office of Student Achievement, and the State Board  
46 of Education with input from the State School Superintendent shall conduct a hearing  
47 in not less than ten days of such notice nor more than 90 days and recommend to the  
48 Governor whether to suspend all eligible members of the local board of education with  
49 pay; provided, however, that this subparagraph shall be tolled for a local board of  
50 education while under a contract amendment or intervention contract pursuant to Code  
51 Section 20-14-45 so long as such local board of education is in substantial compliance  
52 with the terms of such contract amendment or intervention contract; or

53 (C)(i) A local school system is designated by the state auditor as requiring the highest  
54 level of monitoring, supports, and interventions promulgated by the Department of  
55 Audits and Accounts pursuant to Code Section 50-6-6, the state auditor shall notify  
56 the State Board of Education in writing within three business days of making such  
57 designation, and the State Board of Education shall, upon a recommendation of the  
58 audit committee of the State Board of Education followed by a majority vote of the  
59 State Board of Education, conduct a hearing in not less than ten days of such vote nor  
60 more than 90 days and recommend to the Governor whether to suspend any eligible  
61 members of the local board of education with pay.

62 (ii) A local board of education, a member thereof, a local school system, or a local  
63 school superintendent is the subject of a finding by the state auditor of financial  
64 mismanagement or misconduct following an investigation made pursuant to Code  
65 Section 50-6-28, the state auditor shall notify the State Board of Education in writing  
66 within three business days of such finding, and the State Board of Education shall,  
67 upon a recommendation of the audit committee of the State Board of Education  
68 followed by a majority vote of the State Board of Education, conduct a hearing in not  
69 less than ten days of such vote nor more than 90 days and recommend to the Governor  
70 whether to suspend any eligible members of the local board of education with pay.

71 (2) A majority of the members of a local board of education may petition the State Board  
72 of Education to continue any hearing scheduled under this subsection. Upon a showing  
73 of good cause, the ~~state board~~ State Board of Education may in its sound discretion  
74 continue any such hearing. Notwithstanding any other provision of law, deliberations  
75 held by the State Board of Education pursuant to this subsection to formulate its  
76 recommendation to the Governor shall not be open to the public; provided, however, that  
77 testimony shall be taken in an open meeting and a vote on the recommendation shall be  
78 taken in an open meeting following the hearing or at the next regularly scheduled  
79 meeting. If the State Board of Education makes such recommendation, the Governor  
80 may, in his or her discretion, suspend all eligible members of the local board of education  
81 with pay and, in consultation with the State Board of Education, appoint temporary  
82 replacement members who shall be otherwise qualified to serve as members of such  
83 board.

84 (b) Any local board of education member suspended under this Code section may petition  
85 the Governor for reinstatement no earlier than 30 days following suspension and no later  
86 than 60 days following suspension. In the event that a suspended member does not petition  
87 for reinstatement within the allotted time period, his or her suspension shall be converted  
88 into permanent removal, and the temporary replacement member shall become a permanent  
89 member and serve out the remainder of the term of the removed member.

90 (c) Upon petition for reinstatement by a suspended local board of education member, the  
91 Governor or his or her designated agent shall conduct a hearing for the purpose of receiving  
92 evidence relative to whether the local board of education member's continued service on  
93 the local board of education is more likely than not to improve the ability of the local  
94 school system or school to retain or reattain its accreditation; ~~or to improve the ratings of~~  
95 ~~the schools in the local school system so that less than one-half of the schools in such local~~  
96 ~~school system are on the turnaround eligible schools list in subsequent years;~~ to no longer  
97 be designated by the state auditor as requiring the highest level of monitoring, supports,

98 and interventions promulgated by the Department of Audits and Accounts pursuant to Code  
99 Section 50-6-6; or to remediate or mitigate the state auditor's finding of financial  
100 mismanagement or misconduct. The appealing member shall be given at least 30 days'  
101 notice prior to such hearing. Such hearing shall be held not later than 90 days after the  
102 petition is filed and in accordance with Chapter 13 of Title 50, the 'Georgia Administrative  
103 Procedure Act,' except that the individual conducting the hearing shall have the power to  
104 call witnesses and request documents on his or her own initiative. For purposes of said  
105 chapter and any hearing conducted pursuant to this Code section, the Governor shall be  
106 considered the agency, and the Attorney General or his or her designee shall represent the  
107 interests of the Governor in the hearing. If it is determined that it is more likely than not  
108 that the local board of education member's continued service on the local board of  
109 education improves the ability of the local school system or school to retain or reattain its  
110 accreditation; ~~or to improve the ratings of the schools in the local school system so that less~~  
111 ~~than one-half of the schools in such local school system are on the turnaround eligible~~  
112 ~~schools list in subsequent years;~~ to no longer be designated by the state auditor as requiring  
113 the highest level of monitoring, supports, and interventions promulgated by the Department  
114 of Audits and Accounts pursuant to Code Section 50-6-6; or to remediate or mitigate the  
115 state auditor's finding of financial mismanagement or misconduct, the member shall be  
116 immediately reinstated; otherwise, the member shall be permanently removed, and the  
117 temporary replacement member shall become a permanent member and serve out the  
118 remainder of the term of the removed member or until the next general election which is  
119 at least six months after the member was permanently removed, whichever is sooner.  
120 Judicial review of any such decision shall be in accordance with Chapter 13 of Title 50.

121 (d)(1) Subparagraph ~~(B)~~ of paragraph (1) of subsection ~~(a)~~ (a)(1)(A) of this Code section  
122 shall apply to a local school system or school which is placed on the level of accreditation  
123 immediately preceding loss of accreditation on or after April 20, 2011.

124 (2) Subparagraph ~~(B)~~ of paragraph (1) of subsection (a) (a)(1)(B) of this Code section  
125 shall apply to a local school system which, on or after July 1, 2017, has one-half or more  
126 of the schools in the local school system on the turnaround eligible schools list for the  
127 fifth or more consecutive year.

128 (3) Subparagraph (a)(1)(C) of this Code section shall apply to a local school system on  
129 or after July 1, 2026, if:

130 (A) Such local school system is designated by the state auditor as requiring the highest  
131 level of monitoring, supports, and interventions promulgated by the Department of  
132 Audits and Accounts pursuant to Code Section 50-6-6; or

133 (B) Such local school system, the local board of education or a member thereof, or the  
134 local school superintendent is the subject of a finding of financial mismanagement or  
135 misconduct.

136 (e) For purposes of this Code section, an eligible member of a local board of education  
137 shall mean a board member who:

138 (1) Was serving on the local board of education at the time the accrediting agency placed  
139 the local school system or school on the level of accreditation immediately preceding loss  
140 of accreditation; ~~or~~

141 (2) Was serving on the local board of education at the time the local school system had  
142 one-half or more of the schools in the local school system on the turnaround eligible  
143 schools list for the fifth or more consecutive year and had served on the local board of  
144 education for at least the immediately preceding two years;

145 (3) Was serving on the local board of education at the time the local school system was  
146 designated by the state auditor as requiring the highest level of monitoring, supports, and  
147 interventions promulgated by the Department of Audits and Accounts pursuant to Code  
148 Section 50-6-6; or

149 (4) Was serving on the local board of education at the time the local board of education  
 150 or a member thereof, the local school system, or the local school superintendent was the  
 151 subject of a finding of financial mismanagement or misconduct.

152 (f) A local board of education shall not expend any public funds for attorney's fees or  
 153 expenses of litigation relating to proceedings initiated pursuant to this Code section except  
 154 to the extent such fees and expenses are incurred prior to and through the recommendation  
 155 of the ~~state board~~ State Board of Education as provided for in subsection (a) of this Code  
 156 section; provided, however, that nothing in this subsection shall be construed to prohibit  
 157 an insurance provider from covering attorney's fees or expenses of litigation under an  
 158 insurance policy.

159 (g) Any suspended board member who is reinstated by the Governor pursuant to this Code  
 160 section may be reimbursed by the local board of education for his or her reasonable  
 161 attorney's fees and related expenses incurred in pursuing such reinstatement."

162 **SECTION 2.**

163 Said chapter is further amended in Article 5, relating to local school superintendents, by  
 164 revising Code Section 20-2-101, relating to appointment of school superintendents, as  
 165 follows:

166 "20-2-101.

167 (a)(1) Except as provided in paragraph (2) of this subsection, each local school  
 168 superintendent ~~Superintendents of each school system~~ shall be employed by the local  
 169 board of education under written contracts for a term of not less than one year and not  
 170 more than three years. Any provision of any such contract which provides for an  
 171 extension of the duration of employment thereunder, whether automatic or contingent  
 172 upon the occurrence of one or more events, shall be void if that extension would result  
 173 in employment under the contract, as extended, for a period which exceeds three years.

174 (2) At any time a local school system is designated as a high-risk local school system by  
175 the Department of Audits and Accounts pursuant to Code Section 20-2-67, the local  
176 school superintendent's contract of employment shall not be extended for a term which  
177 exceeds 12 months. Any such term which exceeds 12 months shall be void.

178 (3) Any contract by which a local school superintendent is employed by a local board of  
179 education that is entered into or renewed on or after July 1, 2026, shall include terms and  
180 conditions that shall have the following effect:

181 (A) It shall be an act of default for the local school superintendent to be the subject of  
182 a finding by the state auditor of financial mismanagement or misconduct following an  
183 investigation made pursuant to Code Section 50-6-28;

184 (B) It shall be an act of default for the local school superintendent to be the subject of  
185 a finding by the state auditor that the local school superintendent has knowingly failed  
186 or refused to comply with a material requirement of a plan for intervention or other  
187 corrective action plan put in place in conjunction with the local school system being  
188 designated by the state auditor as requiring the highest level of monitoring, supports,  
189 and interventions promulgated by the Department of Audits and Accounts pursuant to  
190 Code Section 50-6-6; and

191 (C) In the event of an act of default provided for in subparagraph (A) or (B) of this  
192 paragraph, the local board of education shall be authorized to terminate the employment  
193 contract of the local school superintendent for cause.

194 (b)(1) No person shall be eligible to be appointed or employed or to serve as a local  
195 school superintendent of schools of any county or independent school system unless such  
196 person is of good moral character, has never been convicted of any crime involving moral  
197 turpitude, and possesses acceptable business or management experience as specified by  
198 the Professional Standards Commission or the minimum valid certificate or a letter of  
199 eligibility for said certificate required by the Professional Standards Commission.

200 (2) No person shall be eligible to be appointed or employed; or to serve as a local school  
201 ~~superintendent of schools of any county or independent school system~~ who has an  
202 immediate family member sitting on the local board of education for ~~such~~ the local school  
203 system or who has an immediate family member hired as or promoted to a principal,  
204 assistant principal, or system administrative staff on or after July 1, 2009, by ~~that~~ such  
205 local school system. As used in this ~~subsection~~ paragraph, the term 'immediate family  
206 member' means a spouse, child, sibling, or parent or the spouse of a child, sibling, or  
207 parent whose term as a member of the local board of education or whose employment as  
208 a principal, assistant principal, or system administrative staff in the local school system  
209 began on or after January 1, 2010. Nothing in this ~~Code section~~ paragraph shall affect  
210 the employment of any person who is employed by a local school system on or before  
211 July 1, 2009, or who is employed by a local school system when an immediate family  
212 member becomes the local school superintendent for ~~that~~ such local school system.

213 (c) ~~Local school superintendents~~ Superintendents shall have such additional qualifications  
214 as may be prescribed by local law or policies of the local board of education ~~for that school~~  
215 ~~district~~, not inconsistent with the provisions of this chapter.

216 (d) At any time during the 12 months immediately preceding the expiration of an  
217 appointed local school superintendent's contract or term of office, or when a vacancy in the  
218 office of local school superintendent occurs, the local board of education may appoint and  
219 employ a successor local school superintendent in accordance with the above provisions  
220 of this Code section, notwithstanding that the terms of some or all of the local board of  
221 education members will expire before ~~the employment of the superintendent so appointed~~  
222 ~~and employed~~ such employment begins.

223 (e) A local school superintendent may concurrently serve as a principal, teacher, or in  
224 another staff position as directed by the local board of education in its sole discretion and  
225 in accordance with the terms of the contract between the local school superintendent and  
226 the local board of education. A local school superintendent may also serve concurrently

227 as local school superintendent of one or more local school systems in accordance with the  
 228 terms of his or her respective contracts and upon approval by each affected local school  
 229 system.

230 (f) No substantive or procedural right regarding employment or termination of  
 231 employment of a local school superintendent by a local school system shall be created by  
 232 this Code section. Rather, the terms and conditions of employment of a local school  
 233 superintendent by a local school system shall be determined exclusively by the contract  
 234 between those parties and may include, without being limited to, the conditions under and  
 235 procedures by which ~~that~~ such contract may be terminated prior to the end of the term of  
 236 ~~that~~ such contract."

237 **SECTION 3.**

238 Said chapter is further amended in Part 4 of Article 6, relating to financing under the "Quality  
 239 Basic Education Act," by revising subsection (b) of Code Section 20-2-166, relating to state  
 240 funds, calculation, allotment, and distribution, as follows:

241 "(b)(1) The State Board of Education shall, by regulation, provide for distribution of state  
 242 funds allotted to local units of administration under this article and budgets approved by  
 243 the ~~state board~~ State Board of Education. The state board is authorized to provide for  
 244 distribution of such state allotted funds to local units of administration at such times and  
 245 in such manner as will most likely meet the periodic needs of local units for the state  
 246 allotted funds, except as provided in paragraph (2) of this subsection. In determining the  
 247 time and manner for distribution of state allotted funds, the ~~state board~~ State Board of  
 248 Education may consider the time at which local school tax funds shall be collected and  
 249 made available to local units of administration. State allotted funds to be distributed to  
 250 local units under this article shall be withdrawn from the state treasury on requisitions to  
 251 be signed by the State School Superintendent, which shall be signed in accordance with  
 252 such regulations and directions of the ~~state board~~ State Board of Education.

253 (2)(A) Except as provided for in subparagraph (B) of this paragraph, the aggregate of  
254 state allotted funds distributed by the State Board of Education to a local unit of  
255 administration in advance of the routine periodic allotments established by the Office  
256 of Planning and Budget shall not exceed an amount that is equal to 50 percent of the  
257 total of such local unit's state allotted funds for the preceding fiscal year.

258 (B) In the event that a local unit of administration requests or, in the opinion of the  
259 state auditor, requires an advance distribution by the State Board of Education of state  
260 allotted funds that would exceed the limit provided for in subparagraph (A) of this  
261 paragraph, the State Board of Education shall be authorized to make advance  
262 distributions that exceed the limit provided for in subparagraph (A) of this paragraph  
263 only under the following conditions:

264 (i) The state auditor shall provide a written opinion to the State Board of Education  
265 that such advance distribution is necessary and appropriate to improve the conditions  
266 of the financial operations of the local unit of administration and shall include with  
267 such opinion a plan for monitoring, supports, and intervention for the local unit of  
268 administration developed by the Department of Audits and Accounts in consultation  
269 with the Department of Education and the local unit of administration to the extent the  
270 local unit of administration participates in such consultation. The local unit of  
271 administration shall have the opportunity to request modification of the proposed  
272 plan; provided, however, that the plan to be implemented shall be determined by the  
273 state auditor;

274 (ii) Within 30 days of the date of such proposed plan, the local board of education or  
275 other governing body of the local unit of administration shall adopt a resolution  
276 stating that the local board of education or other governing body of the local unit of  
277 administration and the officers, employees, and agents of such local unit of  
278 administration shall strictly comply with the plan for the duration of such plan;

- 279 (iii) The State Board of Education shall not authorize an advance distribution of any  
 280 state allotted funds to the local unit of administration without a recommendation in  
 281 writing from the state auditor;  
 282 (iv) The plan may be modified by the state auditor upon written notice to the State  
 283 Board of Education and the local unit of administration; and  
 284 (v) The plan shall remain in effect until concluded in writing by the state auditor."

285 **SECTION 4.**

286 Said chapter is further amended in Article 8, relating to consolidation of independent and  
 287 county school systems, by revising Code Section 20-2-370, relating to referendum on repeal  
 288 of special school law and consolidation of systems, as follows:

289 "20-2-370.

290 Whenever the ~~citizens of a municipality or~~ qualified voters of the territory included in an  
 291 independent school system ~~district authorized by law to establish and maintain a system~~  
 292 ~~of schools by local taxation in whole or in part are operating a system of public schools~~  
 293 ~~independent of the county school system and wish to annul their special school~~ the local  
 294 law establishing such independent school system and become a part of ~~the~~ each respective  
 295 county school system in which such territory is located, they shall present and file with the  
 296 governing authority of the city in which such independent school system is located a  
 297 petition signed by ~~one-fourth~~ 10 percent of the qualified voters of ~~their~~ the territory  
 298 included in the independent school system; and ~~the~~ such governing authority shall then  
 299 submit the question at an election to be held in accordance with Chapter 2 of Title 21. A  
 300 majority of those voting shall be necessary to carry the election. Only qualified voters  
 301 residing within the ~~municipality or district~~ territory included in the independent school  
 302 system for six months prior to the election shall vote. An election shall not be held for the  
 303 same purpose more often than every 12 months."

304 **SECTION 5.**

305 Said chapter is further amended in said article by revising Code Section 20-2-371, relating  
306 to proceedings when vote favors repeal and consolidation, as follows:

307 "20-2-371.

308 When the results of an election held under Code Section 20-2-370 are declared and  
309 published in favor of repealing such independent school system, making the territory  
310 included in the independent school system thereby to become a part of ~~the~~ each respective  
311 county school system in which such territory is located, such independent ~~or local~~ school  
312 system shall continue to function under its local laws, organizations, and regulations until  
313 ~~the~~ each respective county board of education shall arrange for the operation by them of  
314 such ~~school or schools within the local~~ independent school system as a part of ~~their public~~  
315 each respective county school system in which such territory is located."

316 **SECTION 6.**

317 Said chapter is further amended in said article by revising Code Section 20-2-372, relating  
318 to effect of repeal and consolidation, as follows:

319 "20-2-372.

320 Where any ~~local or~~ independent school system is repealed by and in the manner provided  
321 for in Code Sections 20-2-370 and 20-2-371, the territory formerly included in such  
322 independent school system shall become and constitute a ~~school district~~ part of the each  
323 county school system in which it such territory is located and shall enjoy the same  
324 privileges and shall be governed by the same laws as ~~other school districts in the~~ existing  
325 parts of such county school system or systems, ~~including the authority to levy local taxes~~  
326 ~~for school purposes; provided, however, that the rate for such taxation shall not exceed the~~  
327 ~~rate allowed by law to other similar school districts.~~"

328 **SECTION 7.**

329 Chapter 6 of Title 50 of the Official Code of Georgia Annotated, relating to the Department  
 330 of Audits and Accounts, is amended by revising Code Section 50-6-6, relating to audit of  
 331 school and university systems, additional audits authorized, standards, and reports, as  
 332 follows:

333 "50-6-6.

334 (a) As used in this Code section, the term:

335 (1) 'Local school system' means and includes each local school system and each  
 336 completion special school, as provided for in Article 31C of this chapter, in this state.

337 (2) 'State charter school' shall have the same meaning as set forth in Code  
 338 Section 20-2-2081.

339 ~~(a.1) It shall be the duty of the Department of Audits and Accounts thoroughly to audit and~~  
 340 ~~check the books and accounts of the county superintendents of schools and treasurers of~~  
 341 ~~local school systems, of municipal systems, of the to:~~

342 (1) Perform or cause to be performed an annual financial and compliance audit of  
 343 financial transactions and accounts of:

344 (A) Each local school system and state charter school; and

345 (B) The several units of the University System of Georgia, and of all other schools  
 346 receiving state aid and making regular and annual reports to the State School  
 347 Superintendent, showing the amount received, for what purpose received, and for what  
 348 purposes expended. All such; and

349 (2) Issue in conjunction with each such audit required under paragraph (1) of this  
 350 subsection suitable reports that comply with state and federal rules and regulations for  
 351 such audits.

352 (a.2) By July 1, 2026, the Department of Audits and Accounts shall develop and begin  
 353 implementing a program, the purpose of which is to:

354 (1) Monitor the fiscal condition of each local school system and state charter school in  
355 this state;

356 (2) Provide progressive levels of monitoring, supports, and interventions to local school  
357 systems and state charter schools, ranging from technical assistance and audit services  
358 to significant interventions including strict compliance requirements; and

359 (3) Provide reports of the fiscal condition of local school systems and state charter  
360 schools at appropriate intervals.

361 (a.3) No state aid or public funds of any kind shall be held by officials ~~must be kept in~~  
362 ~~banks separate from their~~ any official or employee of any local board of education or other  
363 public school governing body, local school system, state charter school, institution of the  
364 University System of Georgia, or any other school receiving state aid for any length of time  
365 in one or more of his or her individual bank accounts.

366 (b) Notwithstanding any other provisions of this chapter, ~~the local boards~~ each local board  
367 of education of the several county, independent, and area public school systems of this state  
368 or other public school governing body shall be authorized to have an additional audit made  
369 of the books, records, and accounts financial affairs and transactions of all funds and  
370 activities of the public school system schools over which any such board or governing body  
371 has jurisdiction. The local boards of education; provided, however, that such additional  
372 audit authorized under this subsection shall not be relied upon by a local school system or  
373 state charter school in lieu of the audit by the Department of Audits and Accounts required  
374 under subsection (a.1) of this Code section, nor shall such additional audit be deemed to  
375 satisfy the requirements of subsection (a.1) of this Code section, except as provided for in  
376 subsection (e) of this Code section. Such boards and governing bodies shall be authorized  
377 to employ certified public accountants of this state to make the additional audits authorized  
378 under this subsection and to expend funds for the such audits which are received by any  
379 such board or governing body for educational purposes. Each report of any audit  
380 conducted as provided for in this subsection shall be completed and a copy of such report

381 shall be forwarded to the Department of Audits and Accounts within ten days of such  
382 report being issued to the local school system.

383 ~~(c) All audits of such public school systems provided for in subsections (a.1), (b), and (e)~~  
384 ~~of this Code section shall be conducted in conformity with generally accepted standards~~  
385 ~~and principles of governmental accounting and auditing and accordance with generally~~  
386 ~~accepted governmental auditing standards over financial statements in conformity with~~  
387 ~~generally accepted accounting principles of governmental accounting or other basis of~~  
388 ~~accounting authorized by this Code section and shall include tests of the accounting records~~  
389 ~~and other auditing procedures as considered necessary in the circumstances of such audit.~~

390 Such audits shall be subject to the standards, rules, and ethics promulgated by the Georgia  
391 Society of Certified Public Accountants and the American Institute of Certified Public  
392 Accountants. The audit report of each such audit shall include the auditor's unqualified  
393 opinion upon the presentation of the financial position and the results of the operations of  
394 the public local school system or state charter school which is audited. If the auditor is  
395 unable to express an unqualified opinion, he shall so state and shall further detail the  
396 reasons for qualification or disclaimer of opinion including recommendations necessary to  
397 make possible future unqualified opinions.

398 (d) The Department of Audits and Accounts shall establish minimum audit readiness  
399 requirements and audit scheduling priorities based on risk assessment, readiness, and  
400 available resources. The Department of Audits and Accounts shall be authorized to delay  
401 the commencement of an audit when minimum readiness requirements are not met.  
402 Repeated failure to meet audit readiness requirements in a timely manner may be deemed  
403 by the Department of Audits and Accounts to constitute a deficiency in internal control or  
404 governance and may be reported as such in audit findings. The Department of Audits and  
405 Accounts shall report chronic audit readiness failures to the State Board of Education and  
406 the General Assembly.

407 (e)(1) The state auditor shall have discretionary authority to engage certified public  
408 accountants of this state to perform audits required under subsection (a.1) of this Code  
409 section and to authorize local school systems and state charter schools to engage certified  
410 public accountants to perform audits required under subsection (a.1) of this Code section;  
411 provided, however, that such certified public accountants shall comply with requirements  
412 set forth by the Department of Audits and Accounts as it relates to scope, methodology,  
413 state compliance procedures, and risk assessment; and, provided, further, that no local  
414 school system or state charter school shall engage a certified public accountant or any  
415 other person or organization to perform such an audit without written authorization from  
416 the state auditor.

417 (2) The state auditor shall annually submit a written report to the State Board of  
418 Education of the local school systems and state charter schools that were audited by  
419 certified public accountants pursuant to this subsection.

420 (f) The Department of Audits and Accounts shall adopt rules, regulations, guidance, and  
421 procedures necessary to implement this Code section."

422 **SECTION 8.**

423 Said chapter is further amended by revising Code Section 50-6-28, relating to investigatory  
424 duties generally, as follows:

425 "50-6-28.

426 (a) It shall be the duty of the state auditor to make an investigation as a part of his or her  
427 audit of each and every department of the state government. When there are facts, records,  
428 circumstances, or information that indicate mismanagement or misconduct on the part of  
429 any official or employee of any department of the state government during either a past or  
430 present administration, it shall be the duty of the state auditor to make the full investigation,  
431 as provided in Code Section 50-6-29, of the department, official, or employee.

432 (b) The state auditor shall be authorized to make an investigation of any local school  
433 system or state charter school, as such terms are defined in Code Section 50-6-6, in the  
434 state. When there are facts, records, circumstances, or information that indicate  
435 mismanagement or misconduct on the part of any official or employee of any local school  
436 system in the state during either a past or present administration of the local school system,  
437 it shall be the duty of the state auditor to make the full investigation, as provided in Code  
438 Section 50-6-29, of the local school system, official, or employee."

439 **SECTION 9.**

440 This Act shall become effective upon its approval by the Governor or upon its becoming law  
441 without such approval.

442 **SECTION 10.**

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