



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.9.

2/20/2024

Subject:

Rescind Board Policy BCC-94, "External Auditor Selection Procedures."

Fiscal Impact:

There is no fiscal impact to the requestion action.

Dept/Office:

Central Services

Requested Action:

It is requested that the Board of County Commissioners rescind Board Policy BCC-94, "External Auditor Selection Procedures," as it is duplicative of Section 218.391, Florida Statutes.

Summary Explanation and Background:

When staff researched the update of Board Policy BCC-94, "External Auditor Selection Procedures," it was found to be duplicative of Section 218.391, Florida Statutes. Pursuant to Section 218.391, Florida Statutes, the Board is required to follow this section of Florida Statutes when entering a written contract for the procurement of auditing services.

Clerk to the Board Instructions:



Kimberly Powell, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Kimberly.Powell@brevardclerk.us

February 21, 2024

MEMORANDUM

TO: Frank Abbate, County Manager

RE: Item F.9., Rescind Board Policy BCC-94, External Auditor Selection Procedures

The Board of County Commissioners, in regular session on February 20, 2024, rescinded Board Policy BCC-94, External Auditor Selection Procedures, as it is duplicative of Section 218.391, Florida Statutes.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

Kimberly Powell
Kimberly Powell, Clerk to the Board

/ds

cc: Central Services



POLICY

Title: External Auditor Selection Procedures

Policy: BCC- 94
Cancels: August 5, 2014
Approved: October 8, 2019
Originator: Central Services
Review: October 8, 2022

I. References:

1. Section 218.391, Florida Statutes
2. Section 218.39, Florida Statutes

II. Selection Procedure:

A. Audit Committee

1. As the governing body of a charter county, the Board of County Commissioners must utilize an audit committee as part of the statutory public accountant to act in the capacity of the auditor that will conduct the annual financial audit required by section 218.391, Florida Statutes.
2. In the manner prescribed by s.218.391, FS, at least six months prior to the expiration of the current auditor contract, the Audit Committee shall convene and, with the assistance of the County Manager's staff, prepare a request for proposal including information on how proposals are to be evaluated. The audit committee shall also prepare and publish a public announcement seeking proposals.
3. In Brevard County, the Audit Committee will be comprised of each of the Sheriff, Property Appraiser, Tax Collector, Supervisor of Elections and Clerk, or the designee of such county officer(s), along with one member of the Board of County Commissioners or the board's designee.
4. By statute, the Audit Selection Committee has the duty:
 - a. To rank and recommend in order of preference at least three qualified auditing firms to the County Commission;
 - b. To establish the factors to be used to evaluate and rank the most highly qualified auditing firms, such factors to include:
 1. Ability of personnel;
 2. Experience;
 3. Ability to furnish the required services;
 4. Such other factors determined by the Audit Committee which may, or may not include:

- a. a compensation factor, however, compensation may not be the sole or predominant factor used in recommending a selection.

B. Commission consideration of Audit Committee rankings.


- 1. Upon receipt of a recommendation of the top three auditing firms from the Audit Committee, the Board of County Commissioners shall follow the following procedures.
 - a. If compensation is an evaluation factor used by the Audit Committee, the Board must either select the highest ranked, qualified firm or document, in the public record, the reason for not selecting the highest ranked, qualified firm. If compensation is not an evaluation factor used by the Audit Committee, the Board must negotiate a contract with the first ranked qualified firm. If a satisfactory contract cannot be reached, negotiations must be terminated and the Board must then proceed to negotiations with the second ranked firm and, upon failure to reach a satisfactory contract, with the third ranked firm.
 - b. The Board may not negotiate with more than one firm at a time, however, at any time the Board may terminate negotiations with a firm and reopen negotiations with any other firm ranked among the top three.
 - c. As an alternative to the procedures specified in paragraphs 1 and 2 above, the Board may select any of the firms recommended by the Audit Committee and negotiate a contract using any appropriate negotiation method which does not involve compensation as the sole or predominant factor used to select the firm.

III. Reservation of Authority

- a. The authority to issue or revise this Policy is reserved to the Board of County Commissioners.

Attest:


Scott Ellis, Clerk


Kristine Isnardi, Chair
Brevard County
Board of County Commissioners

As Approved by the Board on October 8, 2019

Select Year: 2023

The 2023 Florida Statutes (including Special Session C)

[Title XIV](#)
TAXATION AND
FINANCE

[Chapter 218](#)
FINANCIAL MATTERS PERTAINING TO POLITICAL
SUBDIVISIONS

[View Entire
Chapter](#)

218.391 Auditor selection procedures.—

(1) 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), shall use auditor selection procedures when selecting an auditor to conduct the annual financial audit required in s. [218.39](#).

(2) The governing body of a county, municipality, special district, district school board, charter school, or charter technical career center shall establish an auditor selection committee.

(a) The auditor selection committee for a county must, at a minimum, consist of each of the county officers elected pursuant to the county charter or s. 1(d), Art. VIII of the State Constitution or their respective designees and one member of the board of county commissioners or its designee.

(b) The auditor selection committee for a municipality, special district, district school board, charter school, or charter technical career center must consist of at least three members. One member of the auditor selection committee must be a member of the governing body of an entity specified in this paragraph, who shall serve as the chair of the committee.

(c) An employee, a chief executive officer, or a chief financial officer of the county, municipality, special district, district school board, charter school, or charter technical career center may not serve as a member of an auditor selection committee established under this subsection; however, an employee, a chief executive officer, or a chief financial officer of the county, municipality, special district, district school board, charter school, or charter technical career center may serve in an advisory capacity.

(d) The primary purpose of the auditor selection committee is to assist the governing body in selecting an auditor to conduct the annual financial audit required in s. [218.39](#); however, the committee may serve other audit oversight purposes as determined by the entity's governing body. The public may not be excluded from the proceedings under this section.

(3) The auditor selection committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.

(c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.

(d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.

(e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If

fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

(4) The governing body shall inquire of qualified firms as to the basis of compensation, select one of the firms recommended by the auditor selection committee, and negotiate a contract, using one of the following methods:

(a) If compensation is not one of the factors established pursuant to paragraph (3)(a) and not used to evaluate firms pursuant to paragraph (3)(e), the governing body shall negotiate a contract with the firm ranked first. If the governing body is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be formally terminated, and the governing body shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, negotiations shall then be terminated with that firm and undertaken with the third-ranked firm. Negotiations with the other ranked firms shall be undertaken in the same manner. The governing body, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time.

(b) If compensation is one of the factors established pursuant to paragraph (3)(a) and used in the evaluation of proposals pursuant to paragraph (3)(d), the governing body shall select the highest-ranked qualified firm or must document in its public records the reason for not selecting the highest-ranked qualified firm.

(c) The governing body may select a firm recommended by the audit committee and negotiate a contract with one of the recommended firms using an appropriate alternative negotiation method for which compensation is not the sole or predominant factor used to select the firm.

(d) In negotiations with firms under this section, the governing body may allow a designee to conduct negotiations on its behalf.

(5) The method used by the governing body to select a firm recommended by the audit committee and negotiate a contract with such firm must ensure that the agreed-upon compensation is reasonable to satisfy the requirements of s. 218.39 and the needs of the governing body.

(6) If the governing body is unable to negotiate a satisfactory contract with any of the recommended firms, the committee shall recommend additional firms, and negotiations shall continue in accordance with this section until an agreement is reached.

(7) Every procurement of audit services shall be evidenced by a written contract embodying all provisions and conditions of the procurement of such services. For purposes of this section, an engagement letter signed and executed by both parties shall constitute a written contract. The written contract shall, at a minimum, include the following:

(a) A provision specifying the services to be provided and fees or other compensation for such services.

(b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract.

(c) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed.

(8) Written contracts entered into pursuant to subsection (7) may be renewed. Such renewals may be done without the use of the auditor selection procedures provided in this section. Renewal of a contract shall be in writing.

(9) If the entity fails to select the auditor in accordance with the requirements of subsections (3)-(6), the entity must again perform the auditor selection process in accordance with this section to select an auditor to conduct audits for subsequent fiscal years.

History.—s. 65, ch. 2001-266; s. 1, ch. 2005-32; s. 15, ch. 2019-15.