The Committee on Community Affairs (Hooper) recommended the following:

Senate Amendment (with title amendment)

Delete lines 523 - 567 and insert:

Section 14. Subsections (2), (3), and (4) of section 218.391, Florida Statutes, are amended, and subsection (9) is added to that section, to read:

218.391 Auditor selection procedures.—

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

(a) The auditor selection committee for a Each noncharter county must establish an audit committee that, at a minimum, shall 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 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.
The public **may** **shall** not be excluded from the proceedings under this section.

(3) The auditor selection audit 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 audit 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.

(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.

And the title is amended as follows:
Delete lines 49 - 54 and insert:
specified purposes; amending s. 218.391, F.S.; revising membership, and restrictions thereof, for an auditor selection committee; prescribing requirements and procedures for selecting an auditor if certain conditions exist; amending s.