



**District Business & Advisory Services**

Judy Lee Kershaw: Director- DBAS: 408-453-6599

Bulletin: 17-020

Date: February 1, 2017

To: District Chief Business Officers and Fiscal Directors  
Charter School Administrators

From: Ann Redd-Oyedele, Senior District Business Advisor

Re: Auditor Selection for the Fiscal Year 2016-17 Financial Audit

In accordance with Education Code (EC) Section 41020, the governing board of each school district shall provide for an audit of the books and accounts of the school districts. In the event the governing board of a school district has not provided for an audit by April 1, the County Office of Education, having jurisdiction over the district, shall provide for the audit.

When contracting for an audit, please note the following:

- The audit contract must contain a ten percent withholding clause per EC 14505 and, if applicable, a provision to withhold 50% of the audit fee for any subsequent year of a multi-year contract if the prior year’s audit report was not certified as conforming to reporting provisions of the audit guide.
- Per EC 41020(f)(2), there is a limit of six consecutive years for any firm where the partner in charge of the audit and the reviewing partner have been the same in each of those years. The law does allow the six-year limitation to be waived by the Education Audits Appeals Panel if it finds that no other eligible auditor is available to perform the audit.
- Please communicate to your selected auditor that they must submit copies of the audit report to the Santa Clara County Office of Education by December 15, 2017. One electronic file (pdf) to DBAS ([annie\\_romero@sccoe.org](mailto:annie_romero@sccoe.org)) will suffice.
- Fiscally accountable or independent school districts must have their selected auditor include a statement in the NOTES section of the audit stating that sufficient controls are still in place to allow the district to remain fiscally accountable or fiscally independent. Failure to provide this statement may result in the County Office of Education requiring a special independent audit at the expense of the district.

Please complete the attached form and submit it to the Santa Clara County Office of Education by **March 31, 2017**. In the event the governing board of a local educational agency has not provided for an audit of the books and accounts of the local educational agency by April 1 2017, pursuant to EC 41020(b)(3), the County Superintendent of Schools shall provide for the audit and the cost of the audit shall be chargeable to the LEA.

A list of Certified Public Accountants in California is located on the State Controller’s Office Web

Site: <http://cpads.sco.ca.gov/CPAList.aspx>. Additionally, the

DBAS webpage <http://www.sccoe.org/depts/bizserv/DBAS/Documents/AuditorsbyDistrictandCharter2016.pdf> lists the audit firms selected by each district.

If you have any questions, please contact me at (408) 453-6593 or your District Advisor:

|               |                |
|---------------|----------------|
| Stephanie Lo  | (408) 453-4327 |
| Anita Maharaj | (408) 453-6594 |
| Yen Lam       | (408) 453-6510 |

Please distribute this information within your district as deemed appropriate.

Santa Clara County  Office of Education

**Deadline:**        **March 31, 2017**

**Return to:**        **ANNIE ROMERO, ADMINISTRATIVE ASSISTANT**  
**Annie\_Romero@sccoe.org**  
*Santa Clara County Office of Education*  
*District Business and Advisory Services, Mail Code 252*  
*1290 Ridder Park Drive*  
*San Jose, CA 95131-2304*  
*FAX (408) 453-6653*

Date: \_\_\_\_\_

In accordance with Education Code Section 41020, the governing board of \_\_\_\_\_  
 School District has selected the following firm to audit the books and accounts of the district for the fiscal year  
 ending June 30, 2017:

|                   |                   |                  |
|-------------------|-------------------|------------------|
| Firm Name         |                   | Telephone Number |
| Partner in Charge | Reviewing Partner |                  |
| Address           |                   |                  |
| City              | State             | Zip Code         |

Stated Maximum Audit Fee: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

For a multiple year contract, state the fiscal years covered:

|              |  |  |  |  |  |
|--------------|--|--|--|--|--|
| Fiscal Year: |  |  |  |  |  |
| Amount:      |  |  |  |  |  |

\_\_\_\_\_  
 Signature, Chief Business Official

\_\_\_\_\_  
 Date