



District Business and Advisory Services

Bulletin: 21-025

Date: January 26, 2021

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

From: Ann Redd-Oyedele, Senior District Business Advisor

Re: Auditor Selection for the Fiscal Year 2020-21 Financial Statements 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 district. 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 followings:

- The audit contract must contain a ten percent withholding clause per EC Section 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 Section 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 a copy of the audit report to the Santa Clara County Office of Education by December 15, 2021. An electronic file in PDF format to DBAS (aromero@sccoe.org) is preferred.
- 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 us by **March 29, 2021**. In the event the governing board of a local educational agency (LEA) has not provided for an audit of the books and accounts of the LEA by April 1, 2021, 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 website at: <https://cpads.sco.ca.gov/CPAList.aspx>

Additionally, a list of the audit firms selected by each district is also available on DBAS webpage at: <https://www.sccoe.org/depts/bizserv/DBAS/Documents/AuditorsbyDistrictandCharter.pdf>

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

| | |
|------------|----------------|
| Susan Ady | (408) 453-6957 |
| Rema Kumar | (408) 453-4277 |
| Yen Lam | (408) 453-6510 |

Please distribute this memo within your District as deemed appropriate.



Santa Clara County Office of Education

Mary Ann Dewan, Ph.D.
County Superintendent of Schools

Deadline: **March 29, 2021**

Subject: **SELECTION OF AUDITORS FOR FISCAL YEAR 2020-21**

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, 2021:

| | | |
|-------------------|-------------------|------------------|
| 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 amount for each fiscal year covered:

| | | | | | |
|--------------|---------|---------|---------|--|--|
| Fiscal Year: | 2020-21 | 2021-22 | 2022-23 | | |
| Amount: | | | | | |

Signature, Chief Business Official

Date