



# Monterey County Office of Education

Dr. Nancy Kotowski  
County Superintendent of Schools

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Finance and Business Services

Bulletin No. 16-011

To: Assistant Superintendents and Chief Business Officials  
From: Karen Hennessy, Director, District Advisory Services *KH*  
Date: Thursday, March 02, 2016  
Re: **Auditor Selection for Fiscal Year 2015-16 Financial Audit**

California Education Code (EC) Section 41020 requires that the governing board of each school district either provide for an audit of the books and accounts of the district by April 1 or make arrangements with the County Superintendent of Schools to provide for such an audit. In addition, the Education Code states: "In the event the governing board of a school district has not provided for an audit of the books and accounts of the district by April 1, 2016, the County Superintendent of Schools 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 Monterey County Office of Education by December 15, 2016. The original form **must** be sent to Karen Hennessy at PO Box 80851, Salinas, CA 93912-0851. Also please send an electronic copy (pdf) to [khennessy@monterey.k12.ca.us](mailto:khennessy@monterey.k12.ca.us).

Please complete the enclosed Audit Selection Form and return to my attention no later than Thursday, March 31, 2016.

Should you have any questions, please contact me at 831-755-0376.

Monterey County Office of Education  
Finance and Business Services  
District Advisory Services  
Independent Audit Selection Form

District Name: \_\_\_\_\_

Provisions for an audit of the books and accounts of our districts for fiscal year 2015-16 have been made with:

Independent Auditor's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Is this a multi-year contract? \_\_\_\_\_ (Yes) \_\_\_\_\_ (No)

What are the fiscal years covered by the contract? \_\_\_\_\_

Cost of Audit: \_\_\_\_\_

Our district is currently not a member and wishes to participate in a county-wide consortium for the auditing of our books and accounts for the 2015-16 fiscal year.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

Please submit completed form to [khennesy@monterey.k12.ca.us](mailto:khennesy@monterey.k12.ca.us)