San Bernardino County Superintendent of Schools
Transforming lives through education

Ted Alejandre
County Superintendent

February 27, 2020 Bulletin No. 20-036

TO: **Chief Business Officials (K-12, and ROPs)**
San Bernardino County School Districts

SUBJECT: **2019/20 Annual Audit – Information due to COE no later than March 31, 2020**

The Governing Board of each school district is required, per Education Code Section 41020(b), to either provide for an annual audit or arrange with the county superintendent of schools to provide for the annual audit. Districts that elect to make their own audit arrangements must do so no later than the first day in April of each fiscal year. In the event the governing board of a district has not provided for an annual audit by April 1, the county superintendent of schools shall do so by May 1 of that fiscal year.

Attached are the "Notice of Governing Board's Intention to Provide for Audit" form and a sample of an "Agreement for Audit." The "Agreement for Audit" sample is intended to be used as a guide and is not a mandatory format. In this sample, we have indicated with an asterisk (*) the sections which are required per Education Code Sections 41020g(1) and 14505. Please review all new contracts and existing contracts for compliance with these Education Code sections.

The Notice of Governing Board's Intention to Provide for Audit form and one copy of any new Agreement for Audit must be completed and returned to this office on or before Friday, March 31, 2020.

AB2834 (Chapter 1128/2002) established 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. Therefore, your current audit firm is eligible to perform your audit for a sum total of six consecutive years with the same partner in charge and reviewing partner. At the end of the sixth year, the firm could rotate partners with these responsibilities, but the two partners cannot just switch roles. The law does allow the six-year limitation to be waived by the Education Audit Appeals Panel if it finds that no other eligible auditor is available to perform the audit.

You are required to list the Partner-in charge and the Reviewing Partner names on the attached Notice of Governing Board's Intention to Provide for Audit form.

The following are additional Education Code sections regarding the annual audit report process for districts:

- ***Education Code Section 41020(h)*** requires K-12 districts to file their prior year annual audit report with appropriate local (including the county office of education) and state agencies **no later than December 15th**.

- ***Education Code Section 41020.3*** requires K-12 governing boards to review the annual audit including audit adjustments, findings and recommendation, and management letters for the prior fiscal year **no later than January 31st**. It also requires that the annual audit be reviewed at a public meeting and be placed on the agenda of the meeting.

- ***Education Code Section 41020(i)-(k)*** requires that the county superintendent review the audit findings/exceptions, including prior year unresolved findings and management letters, to determine that an acceptable plan of action is developed to address these findings and certify to the state **by May 15th** that action is being taken.

If you have any questions, please contact your Business Services Advisor or me at (909) 386-9676.

Sincerely,

Ted Alejandre
County Superintendent of Schools

Thomas G. Cassida, Jr., Director
Business Advisory Services

TGC:lc

Attachment: "Notice of Governing Board's Intention to Provide for Audit" form
"Agreement for Audit" sample form

J:\Bulletin\2019-20\20-036 Intent to Provide for Audit