



October 15, 2012

**ORANGE COUNTY  
DEPARTMENT  
OF EDUCATION**  
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**AL MIJARES, Ph.D.**  
County Superintendent  
of Schools

LYNN APRIL HARTLINE  
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Associate Superintendent

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BOARD OF EDUCATION**

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To: Directors/Managers of Business  
K-12 Districts, ROPs, and other JPAs

From: Darren Dang, Director  
Business Services

**Subject: Annual Audit Reports for 2011-12 and Audit Agreements for 2012-13**

This is a reminder that Audit reports for the fiscal year ending June 30, 2012 are due to various agencies no later than December 17, 2012 per Education Code 41020(h). The address and distribution requirements are detailed on the enclosed Attachment I. Distribution of the copies of the reports is as follows:

- |  |                                   |
|--|-----------------------------------|
| County Superintendent of Schools (OCDE)  | 1 hard copy and 1 electronic copy |
| California Department of Education (CDE) | 1 electronic copy                 |
| State Controller's Office (SCO)          | 1 copy (may be electronic)        |
| Federal Audit Clearinghouse              | See Attachment I                  |

Additionally, per Education Code Section 47605(m), charter schools are required to annually submit a copy of their audit report to the chartering entity, State Controller, County Superintendent of Schools in which the charter school is sited, and the State Department of Education by December 17th. If the audit of the charter school is encompassed in the audit of the chartering entity pursuant to Education Code Section 41020, this requirement does not apply.

We strongly recommend selection of an audit firm familiar with the audit requirements of California K-12 school districts. The selected firm should have accountants familiar with GASB/FASB pronouncements and statutory funding mechanisms. Firms that are considering an audit should review the "Standards and Procedures for Audits of California K-12 Local Educational Agencies" manual.

A directory of certified public accountants and public accountants deemed by the State Controller as qualified to conduct audits of local educational agencies per Education Code 41020(f)(1), shall be published by December 31st at the following website: <http://www.sco.ca.gov/cpads>.

Per Education Code 41020(f)(2), it is unlawful for a public accounting firm to provide audit services to an LEA if the lead partner, or coordinating audit partner, having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that LEA in each of the six previous fiscal years.

The audit firm selection process **does not require** a district to go to bid. Special services, including audits, are exempt from bid requirements pursuant to Government Code Section 53060. When selecting a firm, the district should consider the firm's ability to comply with the standards and procedures for audits, and other factors the district deems appropriate. Enclosed Attachment II lists firms that performed 2011-12 fiscal year audits for districts and JPAs in Orange County. A firm that appears on the list does not mean that our office endorses the firm.

We suggest that your district take the following actions:

1. Review Education Code Sections 14500 – 14508 (Financial & Compliance Audits), 41020 (Requirement for Annual Audit), and 41023 (Joint Powers Agreements).
2. Make the selection of a capable audit firm qualified to conduct, complete, and file the reports with our office and the various agencies.
3. Submit to this office no later than April 1, 2013, the name, address, style (i.e. CPA, PA, etc.) and partner of the accounting firm selected to complete the 2012-13 annual audit. Please let us know if you are unable to meet this deadline, as our office is required to provide for an audit of your district by no later than May 1, 2013, per Education Code 41020.
4. Review the most recent "Standards and Procedures for Audits of California K-12 Local Educational Agencies" manual.
5. Ensure that all district sponsored/state approved charter schools have arranged for an audit by April 1, 2013, and the district has a plan to address any audit exceptions and deficiencies.

In agreement with Education Code Section 14505, all contracts must include a provision for:

- 10% withholding, and
- 50% withholding if, in a previous year of a multi-year contract, an audit report was not certified as conforming to the reporting standards of the State Controller's Audit Guide.

If your district is responsible for providing the audit of a JPA, please send us a signed copy of the agreement. If you have any questions or concerns regarding this information, please contact Chris Lombardo at (714) 966-4248.

Attachments

cc: Assistant Superintendents, Business

**Distribution of Audit Reports**

**State Controller's Office – 1 Hard Copy or Electronic Copy**

For 2011-12, independent auditors must submit one copy of the report to the State Controller's Office either by U.S Postal Service, private carrier, or via File Transfer Protocol (FTP). If you plan to use the FTP option and do not have the instructions, please contact the SCO to request FTP instructions at [leaaudits@sco.ca.gov](mailto:leaaudits@sco.ca.gov) or leave a voicemail message at (916) 324-6442. Due to security protocol, the SCO cannot provide FTP instruction packets containing username and password by email or by phone. When requesting an instruction packet, please include the following: firm name, contact person, mailing address, and phone number.

**Mailing Address:**

State Controller's Office  
Division of Audits  
School District Audits  
P.O. Box 942850  
Sacramento, CA 94250-5874

**Private Carrier Delivery:**

State Controller's Office  
Division of Audits  
School District Audits  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

Telephone: (916) 324-6442

**California Department of Education – Electronic Copy**

Audit reports must be submitted to CDE in an electronic unsecured PDF file format or Word document and must include the independent auditors electronic signature. The reports may be submitted electronically by CD or via exFiles File Transfer System. If submitting electronic audit report files by CD, please mail to:

California Department of Education  
School Fiscal Services Division  
Audit Resolution Staff  
1430 N Street, Suite 3800  
Sacramento, CA 95814

Telephone: (916) 323-8068

**County Superintendent of Schools – 1 Hard Copy and 1 Electronic Copy**

Orange County Department of Education  
Attn: Chris Lombardo, Coordinator, District Accounting  
P.O. Box 9050  
Costa Mesa, CA 92628-9050  
E-mail Address: [clombardo@ocde.us](mailto:clombardo@ocde.us)

Telephone: (714) 966-4248

**Federal Audit Clearinghouse – Provides forms for federally-required audit reports**

Federal Audit Clearinghouse  
Bureau of the Census  
1201 E. 10<sup>th</sup> Street  
Jeffersonville, IN 47132  
Telephone: (800) 253-0696 (toll free)

The Federal Audit Clearinghouse, which operates on behalf of the Office of Management and Budget (OMB), provides the required forms for submission of federally-required audit reports and other information at its home page <http://harvester.census.gov/sac/>.

**2011-12 Contracted Auditors**

**Christy White Accountancy Corp.**

2727 Camino Del Rio South, Suite 219  
San Diego, CA 92108  
(619) 270-8222

Contracted by:

1. Anaheim City SD
2. Buena Park SD
3. Magnolia SD
4. Garden Grove USD

**Nigro & Nigro, PC**

25090 Jefferson Avenue  
Murrieta, CA 92652  
(951) 698-8783

Contracted by:

1. Cypress SD
2. Fullerton SD
3. Tustin USD

**Jeanette L. Garcia & Associates**

225 W. Hospitality Lane, Suite 317  
San Bernardino, CA 92408  
(909) 890-0353

Contracted by:

1. La Habra City SD
2. Savanna SD

**Vavrinek, Trine, Day, & Company, LLP**

8270 Aspen Street  
Rancho Cucamonga, CA 91730  
(909) 466-4410

Contracted by:

1. Centralia SD
2. Fountain Valley SD
3. Huntington Beach City SD
4. Ocean View SD
5. Westminster SD
6. Anaheim Union HSD
7. Fullerton Joint Union HSD
8. Huntington Beach Union HSD
9. Capistrano USD
10. Irvine USD
11. Laguna Beach USD
12. Los Alamitos USD
13. Newport-Mesa USD
14. Orange USD
15. Placentia-Yorba Linda USD
16. Santa Ana USD
17. Greater Anaheim SELPA
18. Capistrano-Laguna Beach ROP
19. Coastline ROP
20. North Orange County ROP
21. Orange County Dept. of Education

**Vicenti, Lloyd & Stutzman LLP**

2210 E. Route 66, Suite 100  
Glendora, CA 91740-4673  
(626) 857-7300

Contracted by:

1. Brea Olinda USD
2. Saddleback Valley USD