
Administrative Procedure
Chapter 6 – Business & Fiscal Affairs

AP 6400 FINANCIAL AUDITS

References:

Education Code Sections 84040 subdivision (b), 84040.5, and 81644;
Title 5 Section 59102;
ACCJC Accreditation Standard III.D.7

The Board of Trustees shall provide for an annual audit of all funds, books, and accounts under the control and jurisdiction of the District in accordance with the regulations of the Board of Governors. Arrangements for the audit for any fiscal year shall be made final no later than May 1 of the preceding fiscal year and ratification sent to the California Community Colleges Chancellor's Office no later than May 15 of each fiscal year.

The annual audit shall be performed by certified public accountants licensed by the California Board of Accountancy and shall contain the following:

- A. Identification of expenditures by source of funds.
- B. A statement that the audit was conducted pursuant to standards and procedures developed in accordance with Education Code Section 84040.5.
- C. A summary of audit exceptions and management recommendations.

The Board of Trustees will maintain an audit subcommittee according to the following:

- A. The members of the audit subcommittee shall be assigned annually during the Board's reorganization meeting.
- B. The members of the audit subcommittee shall be the President of the Board of Trustees and another member of the Board to be appointed by the Board President.

The Board of Trustees shall review the annual audit at a public meeting of the Board.

Not later than December 31 of the subsequent fiscal year, the annual audit for any fiscal year shall be filed with the California Community Colleges Chancellor's and other regulatory agencies in accordance with Section 84040.5 of the Education Code.

A continuing contract for services to be performed by an outside audit firm shall not exceed five (5) years, at which time the District shall prepare a Request for Proposals to retain an audit firm for the subsequent five (5) years.

In accordance with Government Code Section 12410.6, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit 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 local agency for six consecutive fiscal years.

Also see BP 6400 Financial Audits.

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(Replaces former LBCC AR 2013)