

Section	FIN-5 Finance	Approval Date	10/23/03
Policy	FIN-5.5 Financial Audit Policy	Latest Revision	8/22/18

FIN-5.5 Financial Audit Policy

The fiscal year of the District shall be the period beginning July 1 of each calendar year through June 30 of the next calendar year.

An audit of the District’s financial records will be made annually by a certified public accountant appointed by the Board of Directors. The Board desires the audit to be completed within 180 days of the District’s fiscal year-end. The purpose of the independent audit is to provide an objective, impartial assessment of the District’s financial records. The audit will be conducted in accordance with generally-accepted accounting and financial auditing standards. The audit will serve to determine if, in the opinion of the auditor, the District’s financial statements are free of material misstatement. The auditor will also examine evidence supporting the amounts and disclosures in the District’s financial statements, annually review and report to the Board on the adequacy of the District’s internal financial controls and assess the accounting principles used and significant financial estimates made by District management. The financial audit will be submitted to the County Auditor, and an annual report of financial transactions will be submitted to the State Controller.

The District will enter into a multi-year agreement of at least five years in duration when obtaining the services of independent auditors. Such agreements allow for great continuity and help to minimize the potential for disruption in connection with the independent audit. Multi-year agreements can also help to reduce audit costs by allowing auditors to recover certain “startup” costs over several years, rather than over a single year.

At the end of each five year contract the District will issue a Request for Proposals for independent auditing services. The current auditing firm will be invited to participate in the procurement. The audit procurement process will be structured so that the principal factor in the selection of an independent auditor is the auditor’s ability to perform a quality audit. While price is a consideration, it shall not serve as the sole criterion for the selection of an independent auditor. Upon completion of the procurement, the Board may or may not choose to change audit firms at that time.

Revision History:

Revision Date	Description of Changes	Requested By
8/22/18	Define fiscal year, increase completion of audit to 180 days, add last paragraph regarding contract terms	Donna Silva