

Audit Requirement: Per Education Code Section 41024, a local agency that receives any funds pursuant to the Leroy F. Green Facilities Act of 1998 on or after April 1, 2017 and was apportioned on or after July 1, 2017 will have their project audited as required in this Education code section. Completed audit reports are to be submitted to the State Controller's Office for review and certification.

Prior to 2017 the Office of Public School Construction (OPSC) conducted their own audit process within their office. The new process requires the School District/Charter school receiving state bond funding to hire their own auditor. The audit requirement is the same for School districts and charter schools receiving state bond funding for school construction. The auditor is required to follow the state requirements and turn the report into the State Controller's office for review and certification.

Selection Process: An RFP was written which provided a Project description, the funding sources used for the project, the State audit process, RFP Request, and Audit Response period. A copy of the RFP is attached for review.

LAUSD was contracted to see if they had any specific audit requirements and to see if they had a list of recommended auditors. The answer received was that LAUSD did not have a specific audit requirement and the only auditor that was provided was for their district general fund auditor based in Atlanta. LAUSD has already reviewed the project expenditure reports as part of the 4 requests for augmentation reports filed for release of funding. LAUSD has also requested a copy of the audit for review and any state comments.

The RFP was sent out on Monday October 19, 2020 and was due back on Friday October 30, 2020 at 5pm. Stephanie Edwards, Ron Johnson and Jim Bush received the proposals. Three companies were contacted to submit proposals. All names were recommended by ExED.

1. Eide Bailly, LLP (OCS current auditor)
2. Clifton Larson, CPA, Glendora, Ca
3. Christy White, CPA, Los Angeles, Ca

RFP's were received from two firms, Clifton Larson and Christy White. No RFP was received from Eide Bailly even though two emails were sent, and a phone message was left with a receptionist.

On Thursday November 12, 2020, Stephanie, Ron and Jim met and reviewed the proposals.

Recommendation

Clifton Larson, met the requirements of the RFP, has charter school general fund and school district audit experience, and limited experience in state bond audits. The proposed fee is **\$15,750**.

Christy White met the requirements of the RFP, has charter school and school district audit experience, and provided experience in auditing state bond funding projects and an understanding of the process. The proposed fee is **\$10,000**.

It is recommended that the OCS Board approve Christy White as the Auditor for the State Proposition 1D school funding. The budgeted amount for the audit was \$35,000. With a base bid of \$10,000, there will be enough cushion if the state requires changes or additions.