



**Policy**

**6400 Financial Audits**

There shall be an annual outside audit of all District funds, books and accounts by an independent certified public accountant appointed by the Board of Trustees. The Chancellor shall ensure that an annual outside audit is completed. The Chancellor shall recommend a certified public accountancy firm to the Board with which to contract for the annual audit, based on the recommended outcome from the Request for Proposals (RFP).

The Chancellor or Vice Chancellor of Fiscal Services may call for a special audit whenever the best interests of the District will be served.

The Vice Chancellor of Fiscal Services may independently spot audit any District and/or College account, including student organization accounts and the revolving cash funds. A written report shall be made to the Chancellor, Board Finance Committee, and Board of Trustees.

**References:**

Education Code Section [84040\(b\)](#); [ACCJC Accreditation Standard III.D.7](#)

**Adopted:** June 28, 2004

**Revision Adopted:** ~~August 10, 2016~~, September 12, 2018

**Last Reviewed:** ~~August 10, 2016~~, September 12, 2018

## Administrative Procedure

### 6400 Financial Audits

An auditing firm’s contract shall be determined by the District. If the District elects to change certified public accountancy firms, the Board shall approve the contract on or before May 1 of the fiscal year. The auditor shall be a certified public accountant licensed by the California State Board of Accountancy.

The audit shall include all funds under the control or jurisdiction of the District. The audit shall identify all expenditures by source of funds and shall contain:

- A statement that the audit was conducted pursuant to standards and procedures developed in accordance with Education Code Section [84040.5](#), and
- A summary of audit exceptions and management recommendations.

Audit reports for the preceding fiscal year must be presented to the Board and submitted to the California Community Colleges Chancellor’s Office by December 31.

#### References:

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

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**Procedure Last Revised:** August 10, 2016, September 12, 2018

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