

FISCAL MEMORANDUM

FROM: CALIFORNIA CHILDREN & FAMILIES COMMISSION
TO: EXECUTIVE DIRECTORS, COUNTY COMMISSIONS
DATE: March 6, 2002
SUBJECT: AUDITORS FOR ANNUAL FISCAL AUDIT

It has come to the attention of the State Commission that there appears to be some confusion among county commissions as to who is acceptable to perform their annual fiscal audits. The State Commission has elected, for each of the past two years, to contract with the California Department of Finance Office of State Audits and Evaluations. This is the State equivalent of a county commission arranging for an audit by the county internal auditor.

The requirement for an objective third-party auditor means someone who is not an employee of, or someone doing business with, the county commission. County internal auditors are established and acceptable professionals, not employed by the commission, and under most conditions should be acceptable to perform the annual fiscal audit. It is not essential that auditors used for this purpose by county commissions be private parties. However, many county commissions have elected to employ private accountants to perform their audits because of personal preference. This is equally acceptable, but it is not required.

The question has also been raised concerning the professional standards required of county auditors. Those employed by a county auditor's office are assumed to be fully professional and capable of performing the commission's audit. It is not a requirement that county internal auditors be CPA's.