

**Final Statement of Reasons
2012-13 Audit Guide**

SECTIONS 19816, 19816.1, and 19845.2.

The Initial Statement of Reasons is included in the file. The information contained therein is supplemented as set forth below.

At the March 26, 2012, meeting of the Education Audit Appeals Panel (EAAP), the Panel considered regulations to update the audit guide for K-12 local education agency (LEA) audits for the 2012-13 fiscal year. The Panel adopted emergency regulations and authorized staff to begin the regular rulemaking process for the eventual adoption of the same text as permanent regulations. The emergency regulations took effect on filing with the Secretary of State on April 11, 2012.

The Notice of Proposed Rulemaking for these permanent regulations was published in the California Notice Register on April 6, 2012. No public hearing was held, and no written comments were received.

At the June 25, 2012, EAAP meeting, the Panel adopted the final audit guide regulations for fiscal year 2012-13.

Technical, Theoretical, or Empirical Studies, Reports, or Documents.

No change from the information provided in the Initial Statement of Reasons.

Request That Regulations Become Effective Upon Filing

EAAP requests that the regulations in the current rulemaking file become effective upon filing. Education Code Section 14502.1 requires EAAP to adopt audit guide regulations pursuant to the rulemaking procedures of the Administrative Procedure Act by July 1 of the fiscal year to be audited. These regulations will replace the emergency audit guide regulations that became effective April 11, 2012. Together with the remainder of Chapter 3, Division 1.5, of Title 5 of the California Code of Regulations, these regulations constitute the audit guide for the audit of the 2012-13 fiscal year.

Alternatives Determination

The Education Audit Appeals Panel has determined that no alternative would be more effective in carrying out the purpose for which these regulations are proposed.

Alternatives Proposed as More Cost Effective and Less Burdensome to Affected Private Persons

The Education Audit Appeals Panel has determined that no alternative would be as effective and less burdensome, or more cost effective and equally effective to affected private persons than the proposed regulations.

Reasonable Alternatives to the Regulations, Including Alternatives that Would Lessen Any Adverse Impact on Small Business, and the Agency's Reasons for Rejecting Those Alternatives.

These regulations are applicable only to certified public accountants and public accountants who audit LEAs, and indirectly to the LEAs themselves. No alternatives to lessen adverse impact on small business were proposed because no adverse impact on small business has been identified. No other alternatives were presented to or considered by EAAP.

Local Mandate Determination

The proposed regulations do not impose any mandate on local agencies or school districts.

Availability of the Final Statement of Reasons:

A copy of this Final Statement of Reasons may be obtained by contacting Mary Kelly at the above address, or from EAAP's website.

Availability of Documents on the Internet:

Copies of the Notice of Proposed Rulemaking, Initial Statement of Reasons, text of the regulations in underline and strikeout, and Final Statement of Reasons will be accessible, through the EAAP website: www.eaap.ca.gov.