



Education Audit Appeals Panel

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www.eaap.ca.gov

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designee of the Superintendent
of Public Instruction

Mary C. Kelly
Executive Officer

February 23, 2015

Notice of Proposed Emergency Regulations

Supplement to Audits of K-12 Local Education Agencies – Fiscal Year 2014-15

Education Code Section 14502.1 requires the Controller, in consultation with the Department of Finance, the State Department of Education, and representatives of specified organizations, to propose the content of a guide for the required annual financial and compliance audits of school districts, offices of county superintendents of schools, and other local education agencies. Section 14502.1 further requires the Controller to submit the proposed audit guide to the Education Audit Appeals Panel (EAAP) for review and possible amendment. The Panel is then to adopt the audit guide, pursuant to the rulemaking procedures of the Administrative Procedure Act, by July 1 of the fiscal year to be audited and any supplement, as authorized, before March 1 of the audit year. EAAP has statutory authority to use the emergency regulations process to meet these deadlines (Ed. Code § 14502.1(b)).

Pursuant to the requirements of Government Code Section 11346.1(a)(2), EAAP is providing notice of proposed *emergency* regulations, which will supplement the audit guide for the performance of the audits required by Education Code Section 41020 for the 2014-15 fiscal year. The proposed emergency regulations, the supplemental audit guide (incorporated by reference in Section 19810) and finding of emergency are enclosed. You may also view this Notice, the proposed emergency regulations text, and the finding of emergency online at <http://www.eaap.ca.gov>.

Written Public Comment

The proposed emergency regulations will be filed with the Office of Administrative Law (OAL) no earlier than five *working* days after the mailing of this Notice. The period for submitting written public comments to OAL will end five *calendar* days later. Therefore, in order for OAL to consider comments, the comments must be *received* by OAL **no later than 5:00 p.m. on Monday, March 9, 2015**.

If you have comments regarding the proposed changes that you would like OAL to consider, you must submit those comments *in writing* to OAL and to EAAP at the addresses below. You must *specify the topic* of the emergency regulations (Supplement to Audits of K-12 Local Education Agencies – Fiscal Year 2014-15). To facilitate review by OAL, please indicate to which section(s) and paragraph(s) your comments pertain (for example, Sec. 19816(h)).

In the enclosed regulations text, which was adopted by the Panel at its February 23, 2015 meeting, EAAP has illustrated proposed changes to the audit guide in the following manner: regulation language newly proposed is underlined; proposed deletions are marked using a single strikeout.

Submit written comments for *receipt* by OAL **no later than 5:00 p.m. on Monday, March 9, 2015.**

Debra M. Cornez, Director
Office of Administrative Law
300 Capitol Mall, Suite 1250
Sacramento, California 95814-4339
Re: Emergency Topic: Supplement to Audits of K-12 Local Education Agencies – Fiscal Year 2014-15
Fax: (916) 323-6826
e-mail: staff@oal.ca.gov

Provide EAAP with a copy of any comments submitted to OAL, addressed to:
Chris Pentoney, Regulations Coordinator
Education Audit Appeals Panel
770 L Street, Suite 1100
Sacramento, California 95814
Fax: (916) 445-7626
e-mail: cpentoney@eaap.ca.gov

Permanent Regulations

Once approved by OAL and filed with the Secretary of State (on or about March 13, 2015), the *emergency* regulations will remain in effect until replaced by *permanent* regulations. At its February 23, 2015 meeting, the Panel directed staff to begin the regular rulemaking process for the eventual adoption of these proposed changes, following public comment, as *permanent* regulations. We expect the Notice of Proposed Rulemaking to be published in the California Public Notice Registry on March 20, 2015; EAAP will post to its web site and mail that Notice along with information regarding the public comment process that same day.

Contact Persons:

Inquiries concerning the substance of the proposed action may be directed to Timothy Morgan, Staff Attorney, at (916) 445-7745 or by e-mail: tmorgan@eaap.ca.gov. The back-up contact for general inquiries is Mary C. Kelly, Executive Officer, at (916) 445-7745.

Enclosures: Finding of Emergency
Proposed text of emergency supplemental 2014-15 audit guide regulations