

## **Sample Audit Contract Language**

### Single-Year Audit Contracts

Ten percent of the fee for the annual audit will be withheld until the audit report has been certified by the state controller as conforming to the reporting provisions of subdivision (a) of Education Code (EC) Section 14503.

### Multi-Year Audit Contracts

Ten percent of the fee for the annual audit will be withheld until the audit report has been certified by the state controller as conforming to the reporting provisions of subdivision (a) of EC Section 14503.

If the audit report for any year is not certified by the state controller as conforming to the reporting provisions of subdivision (a) of EC Section 14503, 50 percent of the audit fee for any subsequent year will be withheld. The withheld amount will not be released until the state controller certifies that the audit report for the subsequent year conforms to the reporting provisions of subdivision (a) of EC Section 14503, or payment is ordered by the California Board of Accountancy.

This contract is null and void if a firm or individual is declared ineligible to audit K-12 school districts pursuant to Subdivision (c) of EC Section 41020.5