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October 12, 2011

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California Community Colleges System Office
Frederick E. Harris, Assistant Vice Chancellor
1102 Q Street
Sacramento, CA 95814-6511

Dear Mr. Harris:

This letter is to respond to the application from Mt. San Antonio Community College District (Mt. SAC) to the Los Angeles County Office of Education (LACOE) that Mt. SAC be approved by the Board of Governors to operate under a fiscally independent status.

In accordance with California Education Code (E.C.) Section 85266.5, on August 25, 2011, the governing board of Mt. SAC filed a written application with LACOE and the California Community Colleges System Office to seek approval for Fiscal Independence status. The application requested an effective date of July 1, 2012.

LACOE contacted the audit firm of Vavrinek, Trine, Day and Company to request their review of the Mt. SAC accounting controls, using the standards prescribed in the California Community Colleges System Office Accounting Advisory for Fiscal Independence dated August 16, 2007.

The review was completed and submitted to LACOE and shared with the County Auditor. The conclusion of the report was that Mt. SAC has been successful in building a system capable of achieving fiscal independence and they found no apparent impedances from the continued endeavor toward fiscal independence.

This report, and the monitoring relationship LACOE has had with the district since they became fiscally accountable in 2009, are factors which make us supportive of the application for fiscal independence beginning July 1, 2012.

As a fiscally independent district, LACOE will continue to have the ability to monitor the district to assure the proper internal controls are in place to provide the appropriate oversight and internal audit functions for the issuance of payroll and commercial warrants directly through the County Treasury without review and approval by LACOE for scrutiny of the legality and propriety of district accounting transactions.

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Frederick E. Harris
October 12, 2011
Page 2

Pursuant to E. C. 85266.5 (m), if LACOE determines that the accounting controls of the district have become inadequate, a recommendation may be made to the board of governors that the approval be revoked, to be effective on the first day of the next following fiscal year.

The Auditor-Controller acknowledges the conclusion of the report and agrees that Mt. SAC currently meets the criteria for fiscal independence. LACOE and the Auditor-Controller have discussed the accounting controls which Mt. SAC must maintain on a prospective basis in order to remain qualified for fiscal independence.

Sincerely,



Pamela Fees, Director
Division of School Financial Services
Business Services

PF:lt

cc: William Scroggins, President/CEO, Mt. SAC
Michael Gregoryk, Vice President, Mt. SAC
Linda Baldwin, Associate Vice President, Mt. SAC
Patricia A. Smith, Interim Assistant Superintendent Business Services, LACOE
Wendy Watanabe, Auditor-Controller, Los Angeles County
John Naimo, Assistant Auditor-Controller, Los Angeles County