

RESOLUTION NO. 24-08

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK APPROVING AND ADOPTING A REVISED AUDIT PROCUREMENT POLICY

WHEREAS, the California Infrastructure and Economic Development Bank (“IBank”) was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.), as now in effect and as it may be amended or supplemented (the “Act”); and

WHEREAS, pursuant to terms of the bonds issued related to IBank’s Infrastructure State Revolving Fund Program, IBank is required to conduct and submit independent audited financial statements; and

WHEREAS, the Act authorizes IBank to engage the services of consultants to render professional and technical assistance related to the issuance of bonds; and

WHEREAS, the Section 63087 of the Act provides that Section 10295 and Sections 10335 to 10382, inclusive, of the Public Contract Code shall not apply to agreements entered into by IBank in connection with the sale of bonds or notes; and

WHEREAS, IBank has previously hired auditors following a request for qualification process; and

WHEREAS, IBank adopted its original audit procurement policy on April 24, 2007, pursuant to Resolution 07-12 (the “Original Audit Policy”); and

WHEREAS, the Original Audit Policy required action by a selection committee composed of positions that no longer exist within the IBank; and

WHEREAS, IBank has determined a need to update and revise the Original Audit Policy to establish a new selection committee by adopting a new policy as set forth in Exhibit A attached hereto (the “New Audit Policy”).

NOW, THEREFORE, the Board of Directors of the California Infrastructure and Economic Development Bank does resolve as follows:

Section 1. The above recitals are true and correct.

Section 2. IBank hereby approves and adopts the New Audit Policy, a copy of which is attached hereto as Exhibit A. The Original Audit Policy is concurrently cancelled and rescinded.

Section 3. The Board of Directors hereby directs and authorizes the Executive Director to implement the New Audit Policy.

Section 4. This resolution shall take effect from and after its adoption.

PASSED, APPROVED AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on June 26, 2024 by the following vote:

AYES: Myers, Sheldon, Jarvis, Quant, Steinorth

NOES:

ABSENT:

ABSTAIN:

scott wu

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Date: 2024.06.27 09:26:33
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Scott Wu, Executive Director

ATTEST:



Stefan Spich, Secretary

EXHIBIT A

AUDIT PROCUREMENT POLICY

Effective June 26, 2024

1. An auditor selection committee shall, at a minimum, consist of the Chief Deputy Executive Director, the Deputy Director of Compliance and Administrative Services, and the Chief Accounting and Administrative Officer.
2. The auditor selection committee shall be responsible for the following:
 - a. Ensure that a request for qualifications (RFQ) process for the selection of an independent auditor at or near the end of the term of each audit contract be conducted;
 - b. Actively seek the participation of qualified firms, including the then current auditor, assuming that the past performance of the then current auditor has proven satisfactory;
 - c. Shall structure the selection process outlined in the RFQ so that the principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit; and,
 - d. Shall submit its selection recommendation to the I-Bank Board.
3. In no case shall price be allowed to serve as the sole criterion for the selection of an independent auditor.
4. Upon Board approval of the auditor, a contract will be executed with the selected firm to provide independent audits of the I-Bank and its funds.
5. The contract with the selected independent auditor shall:
 - a. Include a scope of audit work that reflects the fair presentation of the basic financial statements of the I-Bank and its individual funds.
 - b. Require that the auditor conform to the independence standard promulgated in the
General Accounting Office's *Government Auditing Standard*.
 - c. Be for a term not to exceed five years.
 - d. Contain supplemental nonaudit services consistent with current governmental accounting rules upon the election of the auditor selection committee.