

February 21, 2001

**APPROVE ENTERING INTO AN AGREEMENT WITH ARTHUR ANDERSEN, LLP  
FOR EXTERNAL AUDIT SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with Arthur Andersen, LLP to provide external audit services to the Office Of School Financial Services at an annual cost of \$795,000, plus printing and mailing costs of the annual financial report (CAFR) not to exceed \$17,000; the total annual cost not to exceed \$812,000. Arthur Andersen

01-0221-PR12

Arthur Andersen will assist with:

- Rating agency presentation
- Review of transmittal letter and supplemental schedules in CAFR
- Consulting on new accounting standards

**OUTCOMES:** The annual audit will result in:

A comprehensive business analysis identifying business and information processing risks that might

impact the financial statement.

- Assessment of Risk Controls to identify and evaluate the effectiveness of internal controls and management risks within the key business processes.
- A Business Risk Model (BRM) that provides a framework for systematically understanding and identifying the types of business risks threatening the CBS. The BRM involves participants from numerous

**GENERAL CONDITIONS:**

Inserts General. Each party to the Agreement shall acknowledge that, in accordance with 405 U.C.C.

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