

Guidelines for County Conservation District Annual Audits

The following standards, requirements, recommendations, deadlines and sanctions apply to all County Conservation District "Financial Statement" audits required by the State Conservation Commission.

Audit Standards and Requirements

- District audits must include **all** funds received, maintained and expended by the district.
- District audits will be conducted by or under the supervision of a Certified Public Accountant (CPA) and completed in accordance with generally accepted auditing standards and the standards applicable to "Financial Statement" audits contained in the latest revision of *Government Auditing Standards* issued by the Comptroller General of the United States.
- A copy of the District audit along with all **findings and management letters** must be submitted by the required deadline to the State Conservation Commission (c/o the DEP Bureau of Watershed Management, Division of Conservation District Support and Nutrient Management), the County Commissioner's Office and to the County Controller's Office (if one exists).

Additional Recommendations

- Each District is strongly encouraged to have their auditor attend a monthly board meeting to present the findings of the completed audit. Directors are strongly encouraged to take advantage of this opportunity to ask questions of the auditor concerning the audit and its findings. This meeting may also be a good time to have the auditor review some basic fiscal procedures with the board, such as, presenting a review and evaluation of the monthly financial reports. **Directors need to understand the annual audit report and the monthly financial reports that are presented to them.**
- The majority of Districts are using computerized accounting software to help maintain their financial records. If your District is not, the Commission strongly encourages you to consider doing so. Your auditor and or field representative can provide information on software that other Districts are successfully using.

Audit Deadlines and Sanctions

- The Commission deadline for yearly audits is October 1st of the year following the close of the calendar year being audited. For example, audit statements for Calendar Year 2000 are due to the Commission on October 1, 2001. If a District cannot meet the October 1st deadline they must submit a deadline extension request. **The request must be submitted on District letterhead and include the reason for requesting the extension and the expected audit submission date.** The requested extension date cannot be later than December 31st of the same year. The extension request must be post marked or faxed to the Commission (c/o the DEP Bureau of Watershed Management, Division of Conservation District Support and Nutrient Management) by the close of business September 15th. Based on the information provided, Commission staff will act on the request (approve/disapprove). If the October 1st deadline is missed without the District receiving an extension, or the approved extension date expires without the submission of the required audit, the District will forfeit the General Administrative Assistance portion of the Conservation District Fund Allocation Program for the current fiscal year.
- In addition, a District's obligation to submit an audit consistent with these guidelines continues beyond forfeiture of the general administrative assistance. Commission staff will continue to track and report unsatisfied obligations for possible additional sanctions as determined by the Commission.