

General Audit Information for Soil and Water Conservation Districts

Types of Audits

An ***annual audit*** is an independent examination of an organization's financial transactions and accounts for an entire fiscal year. The audit must be completed by a public accountant who has no personal interest in the fiscal affairs of the organization. The audit report should state what has been audited and whether the organization's financial information is presented fairly, in accordance with generally accepted accounting principles. A report of the auditor's comments and recommendations might also be provided.

A ***state or federal single audit*** is similar to an annual audit, but includes reports which examine the entity's system of internal controls and whether the organization has complied with the rules and regulations associated with the major state or federal funding program(s) from which it received financial assistance.

A ***statement of annual income and expenditures*** is a summary of annual income received and money spent during the fiscal year. The statement can be prepared by local staff, rather than by a public accountant.

A ***certified financial statement (CFS)*** is a report of revenues and expenditures for a fiscal year, accompanied by a resolution of the governing body verifying that the information in the statement is true and correct.

When is an Audit Required?

1. OMB Circular A-133: This is a federal rule outlining when an audit is required according to the amount of federal funds an organization has expended in a given year. Non-federal entities that expend \$500,000 or more in a year in federal funds must have a single or program-specific audit. For more information please refer to the [circular](#).
2. Individual funding sources/grants or programs may require an audit of the particular funds/grants/programs. Carefully read all funding/grant/program agreements for audit requirements.
3. Due to the quasi-state status of soil and water conservation districts and independent district fiscal systems, an independent annual audit of soil and water conservation districts is not performed by the State of Alaska. However, the District Operations Manual adopted in 2006 requires an annual audit, formal review, or financial status report be submitted by each district to DNR and AACD. A Certified Financial Statement (CFS) may substitute for an annual audit when the district does not meet the federal audit requirement threshold. Each district must complete a Financial Management Evaluation worksheet and submit it to DNR and AACD along with either an audit or a CFS.