

Conservation District Financial Audit Requirements

Idaho Code Section [22-2721\(9\)](#) requires conservation districts to provide for financial audits in accordance with the provisions of Section [67-450B](#).

When Is A Financial Audit Required?

A conservation district whose annual expenditures (total dollars spent from all sources) exceed \$250,000 must have a full and complete audit of its financial statements made each fiscal year.

A district whose annual expenditures (total dollars spent from all sources) exceed \$100,000 but do not exceed \$250,000 in the current year may elect to have its financial statements audited on a biennial, rather than an annual basis. The first year that expenditures exceed \$100,000 is the first year of the biennial audit period.

Districts are not required to have an audit conducted for years during which their annual expenditures (total dollars spent from all sources) do not exceed \$100,000.

Financial Audit or Financial Review?

Districts which are not required to conduct an audit may choose to have an annual financial review completed in order to provide accountability for the district's management of public funds. Such reviews are typically less expensive than an audit, are not required to meet the same auditing standards, and do not need to be submitted to the State. Your accountant will tell you which records you need to provide for the review.

What Standards Must The Audit Meet?

1. Audits must be performed by independent auditors in accordance with generally accepted governmental auditing standards as defined by the United States general accounting office. See the standards at <http://www.gao.gov/assets/590/587281.pdf>.
2. The auditor shall be employed by the conservation district on written contract.
3. Expenses necessary for carrying out the audit shall be included in the district's annual budget.
4. The district shall file a copy of each completed audit report with the legislative services office.

When And To Whom Must Financial Audit Reports Be Submitted?

District audit reports are required to be filed with the Idaho State Legislative Services Office (LSO) within 9 months after the end of the district's current audit period. LSO prefers that audits be submitted via email sent to localaudits@lso.idaho.gov. Audits may also be submitted to by regular mail addressed to LSO, 700 W. Jefferson St., Boise, Idaho 83720-0054. You may reach LSO by phone at (208)334-2475.

How Is The "Current Audit Period" Defined?

For districts submitting an annual audit, the current audit period is the current fiscal year.

For districts submitting a biennial audit, the current audit period is the first fiscal year following the first year that expenditures exceed \$100,000.

NOTE: Federal audit requirements applicable because of expenditure of federal assistance supersede the minimum audit requirements provided in Idaho code. In general, federal audit requirements only affect districts which expend \$500,000 or more in federal funds during a fiscal year. These districts are required to have a single or program-specific audit conducted for that year in accordance with the audit requirements stipulated by OMB Circular A133 which can be downloaded from the internet at http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf.