

AUDITS FOR EXTENSION DISTRICT FUNDS AND COUNTY EXTENSION COUNCILS

We are required by [KRS 65.065](#), to have an **annual** audit of Extension District Boards who "receive funds from all sources or expends for all purposes \$750,000 or more." If receipts or expenditures are less than \$750,000, a district must annually prepare a financial statement, and once every four years provide for the performance of an audit using "generally accepted governmental auditing standards and requirements by the Auditor of Public Accounts."

To provide for the performance of an audit, the governing body of a district shall employ an independent certified public accountant or contract with the Auditor of Public Accounts to perform an audit of the funds in the district budget. The audit shall conform to:

(a) Generally accepted governmental auditing standards, which means those standards for audits of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States; and

(b) Additional procedures and reporting requirements as may be required by the Auditor of Public Accounts. A unit of government furnishing funds directly to a district may require additional audits as its own expense. Upon request, the State Auditor or Public Accounts may review the final report and all related work papers and documents of the independent certified public accountant relating to the audit. If a district is required by law to audit its funds more often than is required by this section, it shall perform those audits and may submit them in lieu of the requirements of this section, if the audits meet the requirements of this subsection.

Following the audit the district board is required to file a copy of the audit with the judge executive of the county. [KRS 65.070](#)(b).

Also following the audit the district board should:

1. Review the results of the audit and put into practice (and documented in district board minutes) accounting practices identified by the auditor.
2. Provide the District Director with a copy of the audit.
3. Review the audit with the County Extension Council.
4. It is recommended that a different firm handle the District Board audit, than the one handling the bookkeeping.

It is a good business practice to have district board and County Extension Council funds audited when there is a change in treasurers.