

## **Guidelines for Audits**

### **I. Policy**

- a. We are required by law KRS 65A.030 to perform audits, financial statements and attestation engagements as outlined. (KRS 65A.030)
- b. Audit rotation schedules are determined by annual County Extension District Board budget. Incomes or expenditures that surpass \$500,000 require an annual audit. If incomes or expenses on an annual basis do not exceed \$500,000 this directs a county into a 4-year audit rotation.
- c. All required audits whether on an annual or 4-year rotation basis must be completed for that fiscal year by the conclusion of the following fiscal year (which would be June 30th). As a reminder our fiscal years run from July 1st – June 30th.
- d. Following receipt of the audit, the Area Extension Director will submit it to the Department of Local Government (DLG), and copy appropriate regional office no later than 12 months after the close of the prior fiscal year.
- e. Results of the audit and attestation must be reviewed with the District Board and documentation in the minutes of the Board meeting. Any recommendations from the audit should be addressed by the District Board and minutes should be sent to the Area Extension Director, and forwarded to the Regional Extension Director.
- f. Review the results of the audit and put into practice (and document in the district board minutes) accounting practices identified by the auditor.
- g. Provide the Area Extension Director with a copy of the audit. Area Extension Director forwards to the Regional Extension Director.
- h. Review the audit with the County Extension Council.
- i. It is best business practice that a different company handle the District Board audit from the firm already handling the bookkeeping.
- j. It is a best business practice to have District Board and County Extension Council funds audited when there is a change in treasurers.

*\*A centralized audit matrix is maintained by the Extension Business Office that is available for all counties to purview.*

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