AUDIT REQUIREMENTS OF SOIL AND WATER CONSERVATION DISTRICT
FOR COST SHARE FUNDS

N.C. General Statute 139-7 states:
“The supervisors...shall provide for an annual audit of the accounts of receipts and
disbursements. In any given year, if the supervisors provide for an internal audit, and the
supervisor serving as chairman certifies, under oath, that this internal audit is a true and accurate
reflection of the accounts of receipts and disbursements, then the supervisors shall not be
required, notwithstanding the provision of G.S. 159-34, to provide for an audit of the accounts of
receipts and disbursements by a certified public accountant or by an accountant certified by the
Local Government Commission.”

In order to meet the requirements of the above referenced statute, the Agriculture Cost Share Program
policy dictates that funds for technical assistance (salary and fringe) and matching funds for operating
expenses be audited annually. If county government manages technical assistance and matching funds
for operating expenses, then the county's annual audit meets the audit requirement for those funds. If
county government does not manage technical assistance and matching funds for operating expenses,
then these funds may be audited by an independent CPA or internally as stipulated in the above
referenced statute.

For cost share BMP funds, the chairperson certifies that adequate accounting procedures are being
followed and that funds are reconciled with the information on the cost share reports section on the
Division’s online reporting system.
The District is required to document that an audit of the following funds have been performed annually:

- technical assistance,
- operating funds (if not included in another audit),
- matching funds,
- BMP certification.

The District is required to submit the results of the audit and certification for the previous fiscal year to the
Division as part of their annual strategy plan. Should the annual audit reveal discrepancies or fraud, the
Division must be notified immediately.