

IMPLICATIONS OF A MULTI-YEAR AUDIT

- This provision has no fiscal impact on the County since changes in auditing cycles should be done with no loss of accountability on the district's part.
- Districts will still be held accountable for maintaining complete and accurate records and documentation, and for compliance with applicable fiscal laws, regulations, and accounting standards.
- During interim years, at the district's request, records may be submitted to the County Auditor-Controller for review.
- Cost effective
 - Districts should realize savings on audit costs.
 - Allowing districts to follow a less frequent audit schedule would enable them to use their resources for purposes of more direct benefit to the public.

INTERNAL AUDIT DIVISION

Department Description and Functionality

Performs audits and internal control reviews in accordance with an annual Audit Plan; conducts special projects (technical assistance, cost benefit analysis, research, review of policy/procedures); monitors all significant audit findings and promotes internal controls within the County of Solano.

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AUDITOR-CONTROLLER'S
OFFICE
INTERNAL AUDIT DIVISION

MULTI-YEAR
AUDIT



AUDITOR-CONTROLLER'S OFFICE
INTERNAL AUDIT DIVISION

Multi-year Audit

A special district, meeting certain criteria and approval, may have audits covering a two-year or five-year period in lieu of an annual audit.

**CALIFORNIA CODE
GOVERNMENT CODE
SECTION 26909 (f)**

A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit with a biennial audit covering a two-year period or, if the district's annual budget does not exceed an amount specified by the board of supervisors (*\$60,000.00 for the County of Solano*), an audit covering a five-year period.

Notwithstanding the foregoing provisions of this section to the contrary, districts shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.



REQUIREMENTS FOR A MULTI-YEAR AUDIT

California Government Code 26909 (f) allows special districts to adopt a multi-year audit schedule if the district's Board unanimously requests it and the County Board of Supervisors unanimously approves to adopt that schedule.

- Requests from a district's board may be submitted to the County Auditor-Controller, who will review the request and recommend action to the Board of Supervisors.
- The Board of Supervisors needs to provide unanimous approval of the **one-time** change in order to replace the annual audit with a multi-year audit.
 - NOTE: Approval of requests is on a one-time basis. Subsequent multi-year requests must go through the process of review and approval.
- In order for a special district to be able to shift from an annual audit to an audit once every five years, its annual budget should be below a threshold set by the County Board of Supervisors. For Solano County, the threshold is set at \$60,000.

- Annual budgets or Statements of Revenue and Expenditures should be submitted to the Auditor-Controller's Office by September 30 of each year. Budgets will be reviewed and in the event that a special district exceeds the stated threshold, an audit will be conducted regardless of the multi-year audit agreement.

**CALIFORNIA CODE
GOVERNMENT CODE
SECTION 53901**

Unless exempted by the county auditor 60 days after the beginning of its fiscal year, every local agency, including every special purpose assessing or taxing district with the county shall file with the county auditor of the county in which it conducts its principal operations, a copy of its annual budget.

If a local agency or special purpose assessing or taxing district does not have a formal budget, it shall file a listing of its anticipated revenues, together with its expenditures and expenses for the fiscal year in progress.