

REPORT OF THE  
**STATE AUDITOR of MINNESOTA**

CURRENT ACCOUNTING AND MANAGEMENT PRACTICES

OF

SHERBURNE SOIL AND WATER CONSERVATION DISTRICT  
BECKER, MINNESOTA

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 1987



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**ARNE H. CARLSON**

State Auditor  
St. Paul, Minnesota

REPORT OF THE STATE AUDITOR  
ON THE  
CURRENT ACCOUNTING AND MANAGEMENT PRACTICES  
OF  
SHERBURNE SOIL AND WATER CONSERVATION DISTRICT  
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SHERBURNE SOIL AND WATER CONSERVATION DISTRICT  
BECKER, MINNESOTA

ORGANIZATION

Board	Position	Current Term	
		From	To
D'Wayne DeZiel	Chairman	December 31, 1982	December 31, 1988
Harold Anderson*	Vice-Chairman	December 31, 1984	December 31, 1990
Leo Gramsey	Secretary	December 31, 1984	December 31, 1990
Emma Holzem	Treasurer	December 31, 1986	December 31, 1992
LuVerne Anderson	Member	December 31, 1986	December 31, 1992
Wendy Beliveau	District Administrator		Indefinite
William Bronder	District Technician		Indefinite

\*Died May 1988.



ARNE H. CARLSON  
STATE AUDITOR

# STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR  
SUITE 400  
525 PARK STREET  
SAINT PAUL 55103

296-2551

July 6, 1988

The Honorable D'Wayne DeZiel, Chairman  
Board of Supervisors  
Sherburne Soil and Water Conservation District  
12433 Pine Street  
Becker, Minnesota 55308

We have examined the Sherburne Soil and Water Conservation District's current accounting and management practices for the six-month period ended December 31, 1987. This letter resulting from part of that examination is organized into sections on internal accounting control, compliance, and previously reported items resolved.

## INTERNAL ACCOUNTING CONTROL

As part of our examination, we made a study and evaluation of the District's system of internal accounting control in accordance with standards established by the American Institute of Certified Public Accountants.

The management of the Sherburne Soil and Water Conservation District is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, management must make estimates and judgments that assess the expected benefits and related costs of control procedures. The objectives of a system are to provide reasonable, but not absolute, assurance that:

- assets are safeguarded against loss from unauthorized use or disposition;
- transactions are executed in accordance with management's authorization; and
- transactions are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

Our review would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting controls of the Sherburne Soil and Water Conservation District taken as a whole. However, our review disclosed no condition that we believe to be a material weakness.

COMPLIANCE

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and the provisions of the Minnesota Legal Compliance Audit Guide for Local Government promulgated by the Legal Compliance Task Force pursuant to Minn. Stat. § 6.65. Accordingly, the examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Minnesota Legal Compliance Audit Guide for Local Governments covers five main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, and claims and disbursements. Our study included all of the listed categories. The results of our tests indicate that for the items tested, Sherburne Soil and Water Conservation District complied with the material terms and conditions of applicable legal provisions. Further, for the items not tested, based on our examination and the procedures referred to above, nothing came to our attention to indicate that Sherburne Soil and Water Conservation District had not complied with legal provisions.

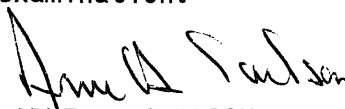
PREVIOUSLY REPORTED ITEMS RESOLVED

The following items included in our previous management letter dated January 21, 1985, have been resolved.

<u>Item</u>	<u>Resolution</u>
A voucher system was not in use for the District's disbursements.	A voucher system has been implemented.
A petty cash fund did not exist for emergency purchases.	A \$25 petty cash fund has been established.

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We would like to express our appreciation to the Board and the District's staff for their cooperation and assistance during the examination.

  
ARNE H. CARLSON  
State Auditor