

Q & A Lake Districts

We often get phone calls and emails from Lake Tides readers with a variety of questions about lake districts. Do you have a question about lake districts that you would like to see answered in Lake Tides? Send it to uwexlakes@uwsp.edu so we can include it in a future issue.

Q: What should a lake district's annual audit entail?

A. As we noted in the Summer 2010 issue of *Lake Tides*, all lake districts are required by law to prepare an audit at the close of the fiscal year, the results of which they then submit to the annual meeting. The statute does not provide much guidance for what the audit should entail. Audits generally summarize the financial position of an entity and review annual revenues and expenditures to identify errors or misstatements. Most lake districts choose to conduct their audit through a committee of the district commissioners. While "self-auditing" of this sort is permissible, it is good practice to ensure that the members of the audit committee are not the same commissioners who regularly review and approve expenditures. It may also be advisable to seek out volunteers for the audit committee from the district's membership base, ideally people with experience in accounting (or at the minimum, a love of numbers). Finally, a lake district board can often learn a lot about their own operation and identify potential areas for improvement by occasionally working with a professional accounting firm to conduct a more rigorous audit. To get a sense of the cost that this might entail, districts are encouraged to contact the treasurer's office in nearby cities and villages to learn more about their experience with public sector accountants. You can view a copy of the Lauderdale Lakes Lake Management District's 2011 audit online at http://lllmd.org/documents/2011_Audit.pdf

For more information on lake districts, see *People of the Lakes: A Guide for Wisconsin Lake Organizations*, www.uwsp.edu/cnr/uwexlakes/districts.