



***Western States Land Commissioners Association
FINANCIAL and ORGANIZATIONAL
AUDIT POLICY
Adopted October 6, 2014***

The Western States Land Commissioners Association (WSLCA) is a membership association that seeks to attain excellence in its governance and service to its members. An essential element of achieving that goal is transparent management of WSLCA financial and organizational accounts and records.

The WSLCA shall periodically conduct audits or reviews to ensure that financial and organizational integrity is maintained.

Financial Review

In years where the amount of the association annual budget is less than \$500,000, the WSLCA shall periodically undertake a review of its financial statements by an independent Certified Public Accountant to ensure accountability and transparency to the members. Such review shall always occur with a change in association Treasurer.

Financial Audit

The WSLCA is supported through member dues or donations. At present, the association receives no Federal financial assistance and, therefore, it is not subject to audit requirements under the Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. It is recognized that as the association budget and operations grow, greater oversight and assurance is necessary to protect staff, volunteers and organizational integrity.

As deemed necessary, the WSLCA Executive Committee will appoint an Audit Task Force, comprised of at least three (3) members, one of whom shall be the Executive Director, who is responsible for coordination and administration of routine association duties. The Audit Task Force's responsibilities include:

- Procuring audit services of an independent Certified Public Accountant, and, when possible, selecting one that is a small business, minority-owned firm, or women's business enterprise;
- Engaging the auditor and, with the WSLCA Treasurer, making all records available to the auditor for the purpose of carrying out the financial audit;
- Receiving all reports and communications from the auditor, reviewing all reports, and transmitting all reports to the WSLCA Executive Committee for review and comment;

- Preparing a Corrective Action Plan for current year audit findings and recommendations, as necessary, and providing the Action Plan to the WSLCA Executive Committee for review and approval; and
- Preparing the reporting package for the WSLCA Executive Director and Treasurer's review and signature.

Audit reports shall be kept for a period of three years from the date the package is finalized and executed with signatures.

Organizational Audit/Review

The WSLCA may retain services specializing in nonprofit organizations to conduct an audit or review of the legal aspects of the organization and its operations to ensure compliance with Federal and State laws, and regulations. Items to be reviewed include, but are not limited to:

- Articles of Incorporation
- Bylaws
- Nominations and Elections Process
- Minutes and Agendas
- IRS and State Income Tax (990x)
- Insurance Policies
- Employee Review Formats, Files, Application Process
- Directive Manuals and Handbooks
- Leases
- Contracts (e.g., for services, for goods)
- Pending Litigations and/or Claims
- Organizational Conflict of Interest
- Website Information, Agreements

The Executive Committee will determine whether an audit or review will be conducted taking into consideration legal requirements, organizational need, cost, and timing. Any audit or review will result in a report from the service provider to the WSLCA Executive Committee as to the conditions and risks associated with the item(s) reviewed for discussion and action. Copies of all audits or reports can be made available for member inspection.