



Wasco County Soil & Water Conservation District

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November 7, 2023

Oregon Secretary of State
Audits Division
255 Capitol St NE
Salem, OR 97310

RE: Plan of Action for Wasco County Soil and Water Conservation District

Wasco County Soil and Water Conservation District respectfully submits the following plan of action in response to deficiencies reported in our audit of fiscal year ending June 30, 2023. The audit was completed by the independent auditing firm RTO & Company.

The deficiencies are discussed below with the Action Plan listed for each:

Significant Deficiency: The District is currently required to prepare an annual financial report. The financial report includes the financial statements, note disclosures, required supplementary information, and other supplementary information required under the Modified Cash Basis of Accounting. The District's accounting personnel do not possess the advanced training that would provide the expertise necessary to prepare the financial statements and related notes in accordance with the modified cash basis of accounting, and therefore may not be able to prevent or detect a material misstatement in the preparation and disclosure of the financial statements. Therefore, the District has contracted with their independent auditors to prepare those statements. Although common for organizations of this size, this condition is considered a control deficiency over financial reporting (since the independent auditors cannot be considered part of the District's internal control) and is required to be reported under professional standards.

Recommendation: The auditors do not recommend any changes in the preparation of the financial statements as long as the audit standards allow them to assist in this process. The District board was made aware that this is considered a control deficiency and the importance of a thorough management review of the financial statements prior to approval of the audit was stressed.

Action Taken: As recommended, the Wasco County Soil and Water Conservation District has not made any change in the preparation of the financial statements. The District does not feel it is cost effective to hire additional staff or an independent contractor to prepare the financial statements. District management will continue to perform a thorough review of financial statements prior to approval of the audit each year.

Shilah Olson, District Manager

Bill Hammel, Chairman

Shawn Sorensen, Secretary/Treasurer