



**Rules of
Elected Officials
Division 40—State Auditor
Chapter 4—Audits of Fire Protection Districts
in St. Louis and Greene Counties**

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Title 15—ELECTED OFFICIALS
Division 40—State Auditor
Chapter 4—Audits of Fire Protection
Districts in St. Louis and Greene
Counties

15 CSR 40-4.010 Requirements for Districts

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule sets forth requirements to be met directly by the district.

(1) The district is responsible for preparing and providing financial information to be included in the audit report. The district shall maintain adequate accounting records for that purpose. These records may be maintained on the bases of accounting deemed appropriate by the district but the records shall provide adequate information to allow the district to report in accordance with generally accepted accounting principles.

(2) The district shall engage an independent auditor to conduct the audit. The state auditor does not recommend, select, or approve the district's auditor or the auditor's fee, except as provided in 15 CSR 40-4.010(4). The district is responsible for fulfilling all contractual obligations with the auditor, including payment of all earned fees.

(3) The district shall require from the independent auditor an engagement letter which sets out all essential particulars. A copy of the engagement letter shall be submitted to the state auditor for his/her review.

(4) The district shall file a copy of the completed audit report with the state auditor within six (6) months after the close of the audit period. If any audit report fails to comply with promulgated rules, the state auditor shall notify the district and specify the defects. If the specified defects are not corrected within ninety (90) days from the date of the state auditor's notice to the district, or if a copy of the required audit report has not been received by the state auditor within the specified time, the state auditor shall make, or cause to be made, the required audit at the expense of the district.

AUTHORITY: section 321.690, RSMo 2000. Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994.*

Amended: Filed Dec. 17, 2009, effective July 30, 2010.

**Original authority: 321.690, RSMo 1977, amended 1981, 1986, 1991, 1993, 1998.*

15 CSR 40-4.020 Standards for Auditing and Financial Reporting

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule sets forth standards for the auditing and financial reporting of the district.

(1) The independent auditor shall meet all requirements of Chapter 326, RSMo, and the code of professional ethics and rules of conduct promulgated by the Missouri State Board of Accountancy.

(2) The audit shall conform to the standards (hereafter referred to as "generally accepted government auditing standards") established by the Comptroller General of the United States and applicable to financial audits of government entities, programs, activities, and functions.

(3) The contents of the financial report shall be presented in conformity with generally accepted accounting principles.

AUTHORITY: section 321.690, RSMo 2000. Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994. Amended: Filed Dec. 17, 2009, effective July 30, 2010.*

**Original authority: 321.690, RSMo 1977, amended 1981, 1986, 1991, 1993, 1998.*

15 CSR 40-4.030 Contents of Audit Reports

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule describes required and suggested information to be included in the audit reports.

(1) Standards for auditing and financial reporting of fire protection districts are given in 15 CSR 40-4.020.

(2) The audit report shall contain:

(A) A table of contents;

(B) The financial statements and other information required by generally accepted accounting principles; and

(C) The auditor's reports required by generally accepted government auditing standards: a report of the financial statements and other financial information and a report on internal control over financial reporting and on compliance and other matters. The required scope of audit for the reports is set forth in 15 CSR 40-4.040. The reports shall include the findings and recommendations, if any, which the auditor developed during his/her audit and the district's responses to those findings and recommendations.

(3) The audit report may contain or utilize a statistical section to include other information deemed necessary or appropriate by the district.

(4) As part of, or along with, the audit report, the auditor shall submit a management letter communicating areas of possible improvement not otherwise reported.

AUTHORITY: section 321.690, RSMo 2000. Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994. Amended: Filed Dec. 17, 2009, effective July 30, 2010.*

**Original authority: 321.690, RSMo 1977, amended 1981, 1986, 1991, 1993, 1998.*

15 CSR 40-4.040 Scope of Audit

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule sets forth the scope of the audit.

(1) Nothing in the rules promulgated for audits of fire protection districts shall be construed as restricting, limiting, or relieving the independent auditor of his/her professional judgment or responsibility.

(2) The independent auditor shall prepare an engagement letter in accordance with generally accepted government auditing standards. The contents of this letter should include, but are not limited to:

(A) Provision that all audit documentation will be made available to the state auditor for his/her review upon his/her request; and



(B) Provision that the auditor will comply with applicable rules issued by the state auditor under 15 CSR 40.

(3) The audit shall include those tests of the accounting records and other audit procedures which the independent auditor considers necessary in the circumstances to conform to generally accepted government auditing standards.

(A) As part of the audit, the auditor shall obtain an understanding of the district and its environment, including its internal control, and assess the risk of material misstatement of the financial statements. The auditor shall also test compliance with provisions of applicable laws, regulations, contracts, and grant agreements.

(B) Legal provisions which the auditor should consider in the audit include, but are not limited to:

1. Article III, Sections 38(a) and 39(3) and Article VI, Section 25, *Constitution of Missouri* limitations on use of funds and credit;
2. Article VI, Section 26, *Constitution of Missouri* limitations on indebtedness without popular vote;
3. Article VI, Section 29, *Constitution of Missouri* application of funds derived from public debts;
4. Article VII, Section 6, *Constitution of Missouri* penalty for nepotism;
5. Chapter 67, RSMo, budgetary requirements;
6. Sections 70.210 to 70.230, RSMo, and section 432.070, RSMo, contracts;
7. Section 105.145, RSMo, annual report;
8. Chapter 105, RSMo, conflict of interest;
9. Chapter 108, RSMo, bond issues; and
10. Chapter 321, RSMo, fire protection districts.

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