

REPORT OF AUDITING COMMITTEE

On March 19, 1948 your committee mailed a request to a large number of the Secretaries of Irrigation Districts asking for any suggestions they might have regarding accounting systems used by them and also for suggestions of changes needed in our present legal code, which they felt would benefit our Districts. Very few answers were received and no suggestions were offered. However a few Districts explained their own system and some sent in copies of forms used by them.

The committee met in Yaldiva July 24, 1948 and those attending were Messrs. De Sheppard, Downie, Sterling, Buzzell, Rummel and Kail. At this meeting Mr. Buzzell, representative from the Auditor's office of this state, was called upon for suggestions relative to accounting procedure for irrigation Districts. Mr. Buzzell conducted a very informative discussion and the committee agreed that his suggestions should be included in their report to this meeting. In brief the suggestions were as follows:

All districts should maintain complete and accurate records of all cash received and disbursed.

All districts should maintain a detailed and accurate record of all land and property owned by the district. Motes and Bounds descriptions of District owned land should be placed on the assessment roll and marked as such and non-assessable.

State or county lands lying within the bounds of the Irrigation Districts are assessable by the District and not subject to real or property taxes. To facilitate paying State assessments the Land Commissioner of the State should draw every lease containing a provision that the tenant is liable for Irrigation Assessments. Under existing situations a District has the power to foreclose the Lessors equity on State leased land to force collection.

Mr. Buzzell pointed out that most of the large Districts were operating under satisfactory and adequate accounting methods but that there was much room for improvement in some of the smaller Districts which cannot afford a full time paid secretary. He generously offered to set up the minimum accounting requirements for all Irrigation Districts in this State.

The committee agreed that their most important task for the year of 1948 was to draw up a bill asking classification of Districts so that it might be acted upon at the 1949 session of the State Legislature. This classification would allow the larger Districts the opportunity to manage and control their business procedures without cumbersome and uneconomical systems of clearing all transactions through the County Auditor's office. At the same time the smaller Districts by classification would not be burdened with the expense of independent operation and would maintain the privileges now granted such Districts by the County Auditor's Office.

Mr. Buzzell again contributed by endorsing the committee's wish for District classification and suggested a classification similar to that of School Districts. He pointed out that a first class District would assume all responsibility for accounting and business procedure and would be held accountable to the State Auditing Department. This would place a direct responsibility on the Board of Directors of Districts so classified.

It was agreed that the committee should meet again in Spokane September 10, 1948. This meeting was well attended and the discussion brought out several worthwhile suggestions.

At this meeting, as in the meeting in Yakima the most important phases of the discussion centered around classification of Districts. Mr. Fred Cunningham endorsed the plan and contributed greatly to the problem of what should be the requirements or standards of a first class District. It was unanimously agreed that the most important requirements were as follows:-

All Districts desiring to be classed as first class should make application to the Board of the State Association of Irrigation Districts. All first class Districts should be in a position to maintain a full time secretary.

All first class Districts must keep records in a manner that will be approved by the Board of Municipal Corporations.

Thus I have endeavored to outline the objectives and progress attained by your Auditing Committee during the past year and though our results may seem meager we feel that our offerings have been thoughtfully prepared and will be a benefit to all Irrigation Districts in the State.

In conclusion our committee wishes to present the following resolutions for approval by the State Association.

We, the Auditing Committee for the State Association of Irrigation Districts, acting in the interests of promoting the welfare of all Districts, wish to advance those premises for your approval.

1. There is a definite and urgent need for classification of Irrigation Districts.
2. The Auditing Committee shall draw a final classification resolution.
3. The above mentioned resolution shall be presented in the name of the State Association of Irrigation Districts in a form of a bill, to be acted upon by the 1949 session of the State Legislature.

Respectfully submitted,
By Clifford Kail,
Chairman of Accounting Committee