

PARTNERSHIP FOR THE SOUNDS

State Authorization: 2002 Short Session

**NC Department of Environment and Natural Resources
Budget, Planning & Analysis**

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The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

I. PROGRAM OBJECTIVES

The 2005 General Assembly appropriated funds in the amount of \$2,052,250 to the Partnership for the Sounds for general operating expenses, including staff salaries, facility operations, and administrative overhead. Funding is also designated to enhance tourism, marketing, and economic development in the region. Partnership for the Sounds provides environmental education, tourism promotion, and support for community economic development on the Albemarle-Pamlico Peninsula, specifically in Beaufort, Bertie, Hyde and Tyrell counties.

II. PROGRAM PROCEDURES

These are Special Appropriations by the Legislature that are earmarked for the indicated purpose. \$517,250 is to be utilized for general operating expenses including staff salaries, facility operations and administrative overhead. Funds in the amount of \$1,535,000 will be expended for marketing, and necessary capital and exhibit improvements at the facilities. Funds will also be used to expand programming that will stimulate greater visitation and economic activity in the region.

III. COMPLIANCE REQUIREMENTS

1. Activities Allowed or Unallowed

Compliance Requirements

Funds from this program may be used for staff and operation related costs and renovation costs.

Audit Objectives

Ensure that expenditures are for staff and operation related costs and renovation costs.

Suggested Audit Procedures

Verify invoices with accounting records.

2. Allowable Costs/Cost Principles

Compliance Requirements

Costs must be staff or operations related or for renovations.

Audit Objectives

Ensure costs are staff or operations related or for renovations.

Suggested Audit Procedures

Verify invoices with charges in the general ledger or accounting records.

3. Cash Management

Compliance Requirements

Funds are to be disbursed by the State to the recipient quarterly unless authorized by the Office of State Budget and Management to be disbursed at a different frequency. No testing needs to be done by the local CPA.

4. Conflict of Interest

Compliance Requirements

Organization must file a notarized copy of the organization's policy addressing conflicts of interest when requesting funds. See Chapter 443, Section 7.5, 1997 Session Laws.

Audit Objectives

Make sure organization adheres to conflict of interest policy.

Suggested Audit Procedures

Verify existence of written policy.

12. Reporting

Compliance Requirements

Recipients should comply with reporting requirements in G. S. 143-6.1.

Audit Objectives

Ensure compliance with G. S. 143-6.1.

Suggested Audit Procedures

Verify that State funds have been used appropriately and that the required reports have been filed.