

What Is the Annual Audit?

By CSD Pool

The annual audit is an important process that occurs each January to compare the estimated payroll that your district provides at renewal with the actual payroll paid in the prior coverage year. This reconciliation ensures that your district's annual contribution is accurately reconciled based on the actual payroll data. If the estimated payroll is less than the audited payroll, you will receive an invoice for payment. If the estimated payroll is more than the audited payroll, we will send you a refund.

What You Need to Do:

To complete the audit, you need to update your district's actual payroll for the prior year for each individual employee. Fire districts may also need to update their volunteer firefighter roster.

Here are detailed guidelines to help you complete your payroll schedule accurately and efficiently:

1. Complete and Accurate Information:

Ensure that individual employee positions are listed with the actual payroll for the previous coverage period. Missing or incorrect details will delay the issuance of your audit coverage documents.

2. Identical Positions:

Each position, even if identical, must be listed separately. For instance, if your district employs 20 lifeguards, each lifeguard position should have its own line item, including the individual payroll for each, all assigned the same class code.

3. Multiple Classifications for a Single Employee:

If an employee's payroll is reported under multiple classifications (split class codes), list the employee on separate lines for each class code, along with the corresponding payroll for each classification.

4. Terminated Employees:

If you have employees who were terminated at some point during the previous coverage period, they must still be listed on the payroll schedule with their prorated payroll.

5. **Overtime Pay:**

Convert overtime pay to straight pay by dividing any overtime pay by 1.5.

6. **Specific Instructions for Fire/EMS Operations:**

Volunteer firefighters and EMTs should be listed on the roster but not included in the payroll schedule. The roster should capture all volunteer firefighters and EMTs who participated in training and served in the previous coverage year, even if they are no longer with the district as of yearend.

Important Dates

You will receive an audit request via email in late December. The completed audit application must be submitted by the end of January. In the absence of a completed audit application, we will impose a 10% increase on payroll for anticipated growth and inflation in early February.