

Audit Procedures for RSC, C&E, and Host Committees

Section 1:

The Treasurer being audited is required to be present. Items needed for audit: Treasury Ledger (that is reconciled and in the Quicken format), checkbook, reconciled bank statements, RSC or subcommittee meeting minutes, reimbursement/funding requests with money motions, receipt book, and deposit book. All budget requests/ money motions (with back-up) should be in the chronological order of the ledger. No voided checks will be destroyed and must be present. Bank statements with check images will be provided by the Regional Auditor. For all mid Event audits, signed contracts should be available for review.

All budget requests, deposits, or any transactions must have back up. Backup is defined as receipts for purchases and receipts for monies received.

- a. All budget requests and/or money motions must have a receipt to accompany the request.
- b. All deposits must have receipts from the recipient of the monies turned in.
- c. Bank statements should be in order, or be in chronological order with all information such as receipts for checks written, and receipts for all deposits made.
- d. Meeting minutes must include all budget requests.

Treasurers must keep in mind that they are responsible for all monies taken in and disbursed. So you must have sufficient backup for each transaction as described above.

Section 2:

All audits are performed in sequential order and are derived from the bank statements, line by line. All money transfers are verified sent and received by the other account bank statement.

- a. Every check written is matched up with the budget request w/receipts or monthly bills.
- b. Every deposit must be supported with a receipt from every donation or monies turned in. It's very important to keep a receipt book for all monies taken in.
- c. We use the Quicken checkbook register to organize the bank statement and match it up with all budget requests and deposits.

Section 3:

During the audit, you will need at least 4 to 5 people. You will have someone taking notes for anomalies or procedural errors. An anomaly is when a deposit in checkbook register doesn't match deposit in bank statement. A procedural error is when the budget requests are not in the minutes as an approved motion (See definition of anomaly and procedural errors)

Section 4: Schedule for Audits

Schedule for audits:

C&E Subcommittee audit schedule is July (1/2 year) and January (Final)

WNIRCNA Host Committee audit schedule is:

- 1st audit (3rd Quarter)
- 2nd audit (1st Quarter prior to event)
- Final audit (3rd Quarter after event)

Clean and Free Host Committee audit schedule is:

- 1st audit (3rd Quarter)
- 2nd audit (1st Quarter prior to event)
- Final audit (at WNIRCNA Convention on Saturday)

PNW Host Committee (Pacific Northwest Convention) (When in our region)

- 1st audit (3rd Quarter)
- 2nd audit (3rd Quarter prior to event)
- Final audit (January following event)

If the Treasurer of any Subcommittee resigns or is removed during their term, then an audit must to be done within 30 days of the newly elected person and/or pro-tem person.

Section 5: Members of Audit Committee

Audit is conducted by the RSC Auditor, C&E Chair, C&E Vice-Chair, C&E Treasurer, Host Committee Liaison, with the Outgoing Subcommittee Treasurer. Purpose: To verify accounting categories and procedures. Verify treasurer responsibilities are being performed. The Outgoing Treasurer shall be present to answer questions, but not participate in the audit. Purpose: Accountability checks and balance.

Emergency Audit Committee will only happen if a scheduled audit cannot be performed due to regular audit committee members not being available. Members should include: 2 of 3 C&E Triumvirate, members such as Liaison, other subcommittee members or NA members with Treasurer/Auditing experience. At least 5 members need to be present to conduct an audit, not including the outgoing Treasurer.

Final Full Audit shall be held within 60-90 days after the election of the new Treasurer. The treasury ledger is compared line by line with bank statements, receipts, funding/reimbursements, minutes and receipt book.

Section 6: Archived Materials

All accounting books (both hard copy and/or electronic), copy of checkbook register, budget requests w/receipts, bank statements w/cancelled checks (if provided), meeting minutes, and anything else pertaining to the treasury are turned over to the FSA Auditor at the conclusion of the Final Audit. All these materials are to be archived.

Section 7: Audit Checklist Attached

Experience has shown that it works well for one person to review the Ledger/checkbook, another to verify the bank statements, another to verify the budget requests w/receipts, and another to verify receipts for deposits in concert, and another to take notes for anomalies or procedural errors.

Section 8: Definitions of Procedural Errors and Anomalies

Procedural error is something that goes against documented procedure; a break from routine. Example: we didn't get two signatures on a check or signed our own check, or when a budget request is approved but not noted in the minutes or a budget request is not supported by a receipt of purchases.

Anomaly is an irregularity, a breakdown or malfunction; a problem to be addressed and might indicate that we haven't identified the reason for the variance. Example: when you cannot reconcile the check register to the bank statement and the dollar amount of the difference is known but we don't know why or when a deposit in checkbook register does not match the bank statement deposit.