## **Auditing Group Books**

The financial reports of every group will be reviewed and audited on a yearly basis as a sound fiscal management practice. The review and audit should be a careful examination to check for accuracy of how well the treasurer and the group are handling the organization's (public's) money. The president or chair of the organization will appoint a financial audit committee to conduct and report the annual audit. It is recommended that at least three people be involved in the audit process, and that the treasurer be present at time of the audit. The financial audit team should not include a member who is in the same family as the organization's treasurer. In most instances, the financial audit committee can be comprised of volunteers in the organization who have undergone training on how to conduct an audit.

An audit of the books must be conducted by a financial audit committee when transferring responsibility from one person to another, for the protection of both parties involved. The example audit certification may be helpful as a guideline for completion by the audit committee. Documentation of the transfer of responsibility, including names and transfer date, may be provided in the Comments/Recommendations section of the Financial Audit Committee Certification.

The purpose of the audit is to examine procedures for accuracy of the accounts. It is not a check for fraud, however, fraud will be reported if found. The records should be clear and easily understandable. In most cases, a financial audit of an Extension program or organizational club will take less than an hour.

The following Financial Audit Committee Certification template is adequate for completion by the committee. A copy of this audit certification must be filed with the treasurer and a copy must be delivered and kept in the appropriate County Extension Office where it will be recorded as received, reviewed for completeness, and maintained for five years. Annual audit certifications are due to the County Extension Office on November 1. The Financial Audit Form (p. 8) is a sample checklist that may be useful when conducting an audit; it does not need to be submitted to the Extension office.

## **Financial Audit Committee Certification**

We have carefully audit		al records and accounts and certify this ا	for the County report to be correct to the				
best of our knowledge. Note comments and recommendations, if any.							
Signature	Date	Signature	Date				
Signature	Date	Signature	Date				

Comments/Recommendations

## **Financial Audit Form**

			Period of Audit
			Name of Club/Group
			Treasurer
Yes	No		
		1	Are the group's funds on deposit at only one bank?
			Bank name
		2	
		3	Does the bank balance agree with the balance in the treasurer's record?
		4	Have amounts received and amounts spent been promptly entered in the
			treasurer's record with the date and explanation of the transaction?
		5	Have all the checks been signed by two members, the treasurer, and at least one
			other member authorized by the organization?
		6	Are these two people from different families?
		7	
		8	Have any checks been made payable to cash?
		9	All checks are pre-numbered and preprinted.
		10	Have any counter checks been used?
		11	All disbursements are properly documented. Supporting documents include
			evidence of purchase, original receipt, and approval.
		12	All such support documents are canceled in a manner that assures they cannot
			be reused.
		13	Those authorized to sign checks are bonded if annual receipts total more than
			\$10,000.
		14	Voided checks are available for inspection.
		15	Printed pre-numbered receipt forms are properly used for receipt of cash, and
			carbon copies kept and maintained.
		16	Restrictive endorsement (i.e., using the phrase "For deposit only") is placed on
			incoming checks as soon as they are received.
		17	Financial overages or shortages are properly recorded on books.
		18	Bank deposits are certified by means of a duplicate deposit slip or entry in the
			checkbook register.
		19	Checks returned by the bank for insufficient funds are controlled and a follow-up
			maintained.
		20	Bank deposit bags or lock boxes are used for safeguarding cash and checks.
_	_		Cash and checks are deposited within a week of being received.
		21	Annual financial statements and monthly reports are provided by the treasurer
_	_		including: account balances; receipts; expenditures and closing balances.

## **Annual Summary Financial Report**

Name of Club/Group Name of Bank		
For the year Beginning October 1, and ending Septen	nber 30,	
1. Balance at Beginning of Year		
INCOME (By event or activity)		
2.		
3.		
4.		
5.		
6.		
7. Total Income for Year (Add lines 2 through 6)		
8. Adjusted Balance (Add line 1 and line 7)		
EXPENDITURES (By event or activity)		
9.		
10.		
11.		
12.		
13.		
14.		
15. Total Expenditures for Year (Add lines 9 through 14)		
16. Balance at End of Year (Subtract line 15 from line 8)		
If line 16 doesn't agree with bank statement complete li	nes 17, 18, and	19
17. Add checks that haven't cleared the bank		
18. Subtract deposits that haven't cleared the bank		
19. Adjusted Balance (Should agree with bank statement)		
Prepared by (Treasurer)		
Date		
Club or Group Leader		
Date		

This report is due in the County Extension Office by November 1.