

# Audit Procedure

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The financial reports of every group should be reviewed and audited on a yearly basis as sound fiscal management practice. It should be a simple but careful check of how well the treasurer and the group are handling money. The president and group leader will appoint an audit committee. Make it a practice to always audit the books when transferring responsibility from one person to another for the protection of all parties involved.

Complete this form at the end of September (the end of the 4-H year) and every time a treasurer changes. The purpose of an audit is to check procedures and accuracy of the accounts. It is not a check for fraud, however fraud will be reported if found. The financial records should be clear and easily understandable.

4-H Group/Club Name: \_\_\_\_\_

Group/Program Leader: \_\_\_\_\_

Phone: \_\_\_\_\_

Audit period: \_\_\_\_\_

*Does your group collect any funds for any purposes?*

\_\_\_\_\_ Yes --- please complete the remainder of this form.

\_\_\_\_\_ No --- answer next question

*Does your club maintain a club treasury of any fashion (bank account, club fund box, etc.)?*

\_\_\_\_\_ Yes --- please complete the remainder of this form

\_\_\_\_\_ No --- please sign, date, and keep with your club records

*Club/Group Leader Signature* \_\_\_\_\_ *Date* \_\_\_\_\_

## **Audit Committee Signatures:**

We the undersigned, have examined the financial records for the above named 4-H group and certify this report and the statements made on the reverse to be correct.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Treasury Balance \$ \_\_\_\_\_

As of date: \_\_\_\_\_

## Audit Committee Procedure

### Procedures for 4-H Club Audit Committee

- Check each month's reconciled bank statement and canceled checks. If the treasurer found differences during the month, ask what was done to make corrections. Verify that two authorized, unrelated 4-H members or adult volunteers signed all checks. Verify that the signer is not the same person as the person paid.
- Check the ledger entries and make sure that the entries are complete and up-to-date. Compare the ledger postings to checks, bills, receipts, and deposits. If there are missing items, or differences between receipts and payments and/or deposits, ask the treasurer to explain.
- Review all voided checks. If a voided check is not on file, verify that the check has not cleared the bank by examining the bank statement to make sure the voided check number is not listed.
- Total all money (cash and checks) received. Receipts must be written for all funds collected. Verify that receipts are in order by date and that all funds are listed on the ledgers.
- Total all deposits made to the bank account. The total should equal the total of all funds received as recorded in the ledgers, club monthly treasurer reports, and receipt book.
- Total all money spent. The total should equal the total of all expenses as recorded in the ledgers, club monthly treasurer reports, and check book. Verify that a written bill or receipt is on file for each expense. Verify that all expenses paid by cash are recorded in a petty cash ledger.
- Check the Current Balance. Verify that the treasurer's total balance at the beginning of the year, plus all funds received, minus all expenditures, equals the treasurer's total current balance for the year.
- Complete the questionnaire on the next page. *If any of your answers are NO, your 4-H group financial record keeping practices are not consistent with 4-H policy. Please attach a brief statement to this form indicating what corrective action will be taken.*

Yes	No	NA		Answer all questions if your group collects any amount of funds for any purpose.
			1.	Does the 4-H group keep funds for the use of the club? If no, attach an explanation of how you pay for club expenses.
			2.	Indicate where the club's funds are kept: _____ (Checking or savings?) Include bank name, branch location, and account number:
			3.	Is there a treasurer's book or ledger?
			4.	Is every expense listed in the ledger?
			5.	Is every income transaction listed in the ledger?
			6.	Have funds raised been reported and deposited appropriately?
			7.	Were ledger entries entered in a timely manner with an explanation of the transaction?
			8.	Does the bank statement balance agree with the balance in the treasurer's book or ledger?
			9.	Has fund-raising activities been reported to the 4-H Extension Office?
			10.	Are there two signatures on all checks authorized by the group?
			11.	Are the signers on each check from two different families?
			12.	Have all disbursements been made by check and/or debit card?
			13.	Is there an explanation for any checks made payable to cash?
			14.	All checks are pre-numbered and pre-printed?
			15.	All disbursements are properly documented. Supporting documents include evidence of purchase, receipt and approval.
			16.	Do all such support documents (for example, paid invoices, receipts for expenditures, etc.) have notations that show when they were paid?
			17.	Do startup funds for fund raising activities include documentation of checking out and checking in those funds?
			18.	Voided checks are organized and available for inspection.
			19.	Printed pre-numbered receipt forms are properly used for receipt of cash.
			20.	Restrictive endorsement (i.e. "for deposit only") is visible on incoming checks as soon as they are received. This would be observed if any checks had not yet been deposited.
			21.	Duplicate copies are maintained of receipts of cash.
			22.	Bank deposits are certified by means of a duplicate deposit slip or entry in the passbook.
			23.	Checks returned by the bank for insufficient funds are controlled and a follow-up maintained.
			24.	Monthly and/or quarterly and year end reports are provided to the group by the Treasurer including: account balances; receipts; expenditures, and closing balances. A bank statement was available at all meetings?
			25.	Meeting minutes of club meetings reflect the current balance, funds received, and approval of all expenses reported.
			26.	Is there a budget outlining an annual spending plan, which has been reviewed and approved by the group?
			27.	Receipts for larger fund raising events (for example, raffle ticket sales, booth sales) include a total of the funds collected from the event.
			28.	Cash overages or shortages are properly recorded on books.
			29.	Adequate physical facilities (including, but not limited to, a barrier between cash box and general public, walking with cash handlers to cars, etc.) are provided for safeguarding cash in possession of individuals authorized to handle cash.