

INTERNAL FINANCIAL AUDIT GUIDELINES

These guidelines have been developed to provide guidance for audit committees who are auditing the financial records of the California Square Dance Council, Inc., i.e. Council Treasurer, State Conventions, Insurance, Credit Card, etc. These guidelines may be used by other square dance entities (associations or clubs) by tailoring them to the specific needs of those entities.

A committee of three to five people should be appointed to serve on the audit committee. The Treasurer (or responsible chairman) is not a member of the committee, but should be present to clarify entries in the books and to answer any questions the audit committee may have. A copy of these Guidelines should be given to the Treasurer (or responsible chairman) and to each committee member.

The purpose of the audit is:

1. To verify that the financial reports have been correctly reported to the governing body of Council.
2. To verify that the receipts and disbursements have been accounted for properly.

Things needed for audit:

1. Checkbook
2. Checkbook register (hand written or computer generated)
3. Income Vouchers (Cash Receipt Voucher) with deposit slips attached (if duplicate slips were generated).
4. Expense Vouchers (Check Request Form or Request For Funds) with receipts or bills attached
5. Cancelled checks/bank photocopies
6. Reconciled bank statements
7. Quarterly reports for the period being audited (Income & Expense Report with Balance Sheet, if one was generated)
8. Copy of previous Audit Report (if applicable)
9. Audit Report Form (Page 2 of these guidelines)
10. Calculator

Procedure:

- A. Distribute items 2 through 8 to members of the audit committee.
- B. Determine the number of the last check written in item 1 and enter it on item 9. For the Credit Card Account, determine the last batch number and enter it on item 9.
- C. Check items 2 and 4 through 6 to verify this was the number of the last check written.
- D. Verify that the beginning balance in item 2 is the same as the ending balance in item 8 and enter it on item 9.
- E. Verify that the books are correct by spot checking deposits and checks against items 2 through 6. This can be accomplished by having someone picking a check number from item 2 and checking it against items 4 through 6. Also check the bills or receipts in item 4 to verify that they agree with the Expense Vouchers. Do the same for deposits and deposit slips. Choose a sufficient number of checks and deposits to be confident that item 2 accurately reflects the true balance in the account.
- F. Verify that all checks have two signatures, not from the same household (except insurance account).
- G. Verify that each bank statement has a reconciliation statement or comparable report attached.
- H. Check comments in item 8 to see that they have been complied with, if applicable.
- J. Fill out item 9 and check it against the ending balance in item 2. Then enter any comments you may have and have each member of the audit committee sign the report.
- K. Each member of the audit committee signs below the last check in the check register; the last check stub, or the computer generated check register.
- L. Make a sufficient number of copies of the completed and signed item 9 so that each couple or single member of the committee has a copy, as well as the Council President, Council Secretary, Council Treasurer, and, if other than the Council Treasurer's books, the treasurer (or responsible chairman) of the books for which the audit was performed.

