

GUIDELINES for the AUDITOR

Updated January 2002

INTRODUCTION

So you've taken on the Auditor's job, have you? Well these guidelines might come in quite handy, then. Similar guidelines have been written for the Executive Committee positions, to help the Club run smoothly. The Secretary has a complete set.

This is just a first draft by one person; you may well be able to improve it. Feel free to do so, but please remember to pass it on to your successor.

RESPONSIBILITIES

The Auditor is responsible to the Club Membership (not to the Executive Committee) for verifying that Club funds have been managed in accordance with the Club Rules and for certifying that the annual financial statements prepared by the Treasurer are accurate.

Verifying includes

- knowing and applying the Club Rules
- checking the current rates for subscriptions, lodge fees, debentures, etc
- sighting approvals for payments of accounts
- questioning the Treasurer and/or any other member
- obtaining satisfactory answers or evidence

Certifying includes

- checking all receipts and payments
- checking the debenture records
- checking the balance sheet
- reconciling bank statements with Club records
- checking receipts outstanding and accounts not yet paid
- advising the Club in writing of any concerns

CHECK LIST

DOCUMENTS REQUIRED FROM THE TREASURER

- Cash book & bank reconciliation statement
- Invoice book, receipt book
- Cheque book, paid invoices
- Bank statements for all accounts
- Executive Committee minutes (for payment approvals)
- Debenture records

- Draft financial statements
(receipts, payments, debentures, balance sheet, outstandings)

RECEIPTS

- Have the correct fees been charged and received?
- Are all receipted moneys entered in the Cash Book?
- Have all Cash Book entries been banked?
- Are all bank deposits in the Cash Book, including interest earned?
- Does total receipts = total deposits?
- Can the Lodge Fee sheets be reconciled with deposits?
- List discrepancies and seek explanations.

PAYMENTS

- Are all payments supported by invoices?
- Have the correct amounts been invoiced and paid?
- Have all payments been approved by the Executive?
- Are all cheques entered in the Cash Book?
- Are all Cash Book payments on the Bank Statement?
- Are all bank withdrawals shown in the Cash Book?
- Does total payments = total withdrawals, including account fees and taxes?
- List discrepancies and seek explanations

DEBENTURES

- Have the correct debenture amounts been invoiced and received?
- Are all debenture receipts entered on the Debenture Record?
- Have debenture refunds been calculated correctly?
- Are all debenture refunds entered on the Debenture Record?
- Have existing debentures been revalued correctly?
- Do the totals agree with the Debenture Statement?
- How much debenture money is overdue, not yet due or deferred?
- What refunds have not been made?

FINANCIAL STATEMENTS

- Is the statement of receipts and payments correct?
- Is the bank reconciliation statement correct?
- Is the debenture statement correct?
- Is the balance sheet correct?
- Is the statement of outstanding subs and debentures correct?

CERTIFICATION

- When all your concerns and reservations have been satisfactorily resolved, sign the statements as a correct record.

REPORTING

- Are there matters which you should tell the Club about?

- Could the financial recording system be improved?
- What changes would make the job easier for you and the Treasurer?

TIMING

- General** The financial year runs from 1 October to 30 September.
The incoming Auditor is elected at the AGM in November/December.
General Meetings are normally held in March, August and November.
- December** If a new Auditor has been elected, please pass these Guidelines on.
- November** The Treasurer closes the books on 30 September, gets bank statements and prepares the financial statements as soon as possible.
The Treasurer delivers the books to the Auditor and requests prompt action.
The aim is to present audited financial statements to the AGM (late November or early December) whenever possible.