

AUDIT COMMITTEE & REPORT

What? An audit follows financial transactions through the records to be sure that receipts are properly accounted for and expenditures are made as authorized in the approved budget and in conformity with PTA Bylaws and Standing Rules. The audit must review all accounts of the PTA.

Why? The audit is necessary to protect both the PTA and the officers and to ensure the new administration understands the PTA's financial status. A proper audit will guarantee the previous Treasurer maintained the books correctly and the officers of the unit spent all funds within the guidelines of the budget. An audit may also show discrepancies in funding or expenditures and is essential for financial accountability.

Who? Bylaws require that an Auditing Committee of not fewer than three members conduct the review. Only members who did not have signature authority may serve on the committee. The election or appointment of members is specified in the Bylaws or Standing Rules.

When? An audit is done once a year even if the same Treasurer remains in office. It may also be requested anytime one is deemed necessary or whenever the authorized signers on the bank account change. The deadline is on the Audit Report form at the end of this section.

How? The Treasurer turns over all necessary documentation to the Audit Committee. The current and previous Treasurers should be available for questions. The Audit Committee shall reference the Audit Committee Helpful Hints and Worksheet to assist. The Treasurer supplies the Audit Committee with the following:

- Copy of the last Audit Report
- Checkbook and bank statements
- Expense Forms with receipts
- Deposit Forms with deposit slips and bank receipts
- Ledger for all line items
- Financial reports from all meetings
- Copy of the Annual Report
- Copies of minutes that would include an adopted budget, as well as any amendments that were approved during the year
- Copy of the current Bylaws and Standing Rules
- Any other information requested

Procedure

Begin with the records posted after the last audit which is usually July 1. Check to see if the amount shown on the bank statement corresponds to the starting balance recorded in the checkbook and ledger. Verify that bank reconciliations were done monthly. Reconcile each month's bank statement. Make sure that every check written is substantiated with an Expense Form and receipt. Verify that all purchases have two signatures. Check to see that checks are not being signed by the individual to whom they are made payable. Verify that all income and expenditures are allocated into the approved budget. Make certain that state and national portions of the membership dues were paid to LAPTA. Reconcile each deposit slip with bank statement and checkbook entries. Check the math for the totals. Check each month's ledger entries for error, and crosscheck against checks issued and receipts posted. Check Treasurer's reports and the Annual Report for accuracy. Verify that the reports are true representations of the transactions recorded.

Audit Report

The Audit Committee fills out the Audit Report Form at the end of this section. If all is in order, the committee will find the books correct. If there is a problem, the committee will find the books incomplete, substantially correct with adjustments or recommendations, or incorrect. The report should indicate the information needed and errors committed. The Audit Report must be officially adopted by the PTA and must be included in a completed Annual Report covering the PTA's fiscal year. If the validity of an Audit Report is questioned, an independent CPA should be engaged. At any time during the process, the Louisiana PTA may be contacted for assistance.



AUDIT REPORT

Local Unit Name _____ LUR _____ IRS EIN _____

Parish _____ Fiscal year _____ Total # of Memberships YTD _____

Dates covered by this audit Day 1 _____ to last day _____

Check numbers reviewed by this audit _____ to _____

Ledger Reconciliation

Balance on hand on day 1 of audit year Date _____ 1. \$ _____

Total deposits for audit year 2. \$ _____

TOTAL (add lines 1 & 2) 3. \$ _____

Total expenses with receipts of audit year 4. \$ _____

Balance on hand on last day of audit year TOTAL (line 3 minus line 4) 5. \$ _____

Bank Reconciliation

Bank statement day 1 start balance Day 1 Date _____ 6. \$ _____

All credits on 12 bank statements 7. \$ _____

Deposits not yet credited (_____) 8. \$ _____

TOTAL (add lines 6, 7 & 8) 9. \$ _____

Total withdrawals on 12 bank statements 10. \$ _____

Total uncleared checks (_____) 11. \$ _____

TOTAL (line 9 minus lines 10 & 11) 12. \$ _____

Line 5 must equal line 12.

The Audit Committee examined the financial records of the Treasurer at _____
 _____ PTA/PTSA and find them (check one):

- Correct.
- Substantially correct with the attached recommendations and findings.
- Partially correct. More adequate accounting procedures need to be followed so that a more thorough Audit Report can be given.
- Incorrect. Attach a separate report of explanation and recommendations to executive board.

*A separate Audit Report must be completed for each bank account.

Date Audit completed _____

Auditor's Signature _____ Auditor's Name _____

Auditor's Signature _____ Auditor's Name _____

Auditor's Signature _____ Auditor's Name _____

AUDIT PROCEDURES & HELPFUL HINTS

Supplies

For the audit, the committee members (as determined by your Bylaws) will need the check book, binder with current fiscal year invoices of Expense Forms and Deposit Forms, all bank statements for the fiscal year, and a copy of the previous year's audit.

- Committee person #1 reviews the bank statements for the fiscal year.
- Committee person #2 reviews the checkbook or accounting software file for the fiscal year.
- Committee person #3 reviews all expenses and Expense Forms for the fiscal year.

Each committee member oversees one part of the financials to review. The Treasurer may not participate in audit except to answer questions if necessary.

Instructions

- 1) Start with previous year's audit to verify beginning of year balance. Check this against the checking account balance from that time.
- 2) Next, verify each check written and each deposit made against the checkbook and bank statement for each month. The committee member #3 will verify the signed Expense Forms and receipt for all checks written and deposits made.
- 3) Keep a list of outstanding checks and deposits and check them off as you go through each month.
- 4) At the end of the fiscal year, record on the Audit Committee Report all outstanding items. Deposits are recorded on line 8, and checks are recorded on line 11.
- 5) Write the ending balance, which should be the same amount listed on the Audit Report line 5.
- 6) Complete the Audit Report by inserting the appropriate figures in each blank.
- 7) All committee members must sign the form stating that the PTA books were complete or incomplete.
- 8) If not complete, please seek advice from the LPTA Treasurer.

Directions by Line Number

Line 1: Date of last audit (which should be the first day of the audit year) and dollar amount on hand.

Line 2: Total amount of all deposits in ledger or financial software for the entire audit year.

Line 3: Add line 1 and line 2 to get the total dollar amount.

Line 4: Total amount of all expenses with receipts in ledger or financial software for the entire audit year.

Line 5: To get the ending balance on hand for the audit year, subtract line 4 from line 3.

Line 6: Write the date and starting balance on the bank statement on day 1 of the audit year.

Line 7: Write the sum of all credits on the 12 bank statements for the audit year.

Line 8: Write the sum of any deposits not credited to the account on the bank statements.

Line 9: Write the sum of lines 6, 7 and 8.

Line 10: Write the sum of all withdrawals on the 12 bank statements for the audit year.

Line 11: Write the sum of any withdrawals not posted to the account on the bank statements.

Line 12: Subtract lines 10 and 11 from line 9.

Line 5 and line 12 should be the same amount.

Louisiana
PTA[®]
everychild.onevoice.[®]



AUDIT WORKSHEET

Fill-in as you do the audit.

DEPOSITS

Deposits from _____ to _____ \$ _____
Day 1 Day 365 Sum of deposits
(Line 7 of Audit Report)

Enter receipts from front page of bank statements as you go along in audit. Total deposits are listed near the ending balance on front page of bank statement.

Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____

Deposits Not Cleared: (Line 8 of Audit Report)

Date: _____	Amount: _____	Date: _____	Amount: _____	Date: _____	Amount: _____
Date: _____	Amount: _____	Date: _____	Amount: _____	Date: _____	Amount: _____
Date: _____	Amount: _____	Date: _____	Amount: _____	Date: _____	Amount: _____
Date: _____	Amount: _____	Date: _____	Amount: _____	Date: _____	Amount: _____

EXPENSES

Disbursements from _____ to _____ \$ _____
Day 1 Day 365 Sum of withdrawals
(Line 10 of Audit Report)

Enter disbursements/withdrawals from front page of bank statements. Totals from efts, withdrawals, checks and service fees should be listed near ending balance on front page of bank statements.

Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____
Month _____	Amount _____	Month _____	Amount _____

Checks Not Cleared: (Line 11 of Audit report)

Ch #: _____	Amount: _____	Ch #: _____	Amount: _____	Ch #: _____	Amount: _____
Ch #: _____	Amount: _____	Ch #: _____	Amount: _____	Ch #: _____	Amount: _____
Ch #: _____	Amount: _____	Ch #: _____	Amount: _____	Ch #: _____	Amount: _____
Ch #: _____	Amount: _____	Ch #: _____	Amount: _____	Ch #: _____	Amount: _____