

KOFA KO-OP AUDIT COMMITTEE

POLICIES AND PROCEDURES 2022 - 2023

Since we belong to a KO-OP, personal mileage will be reimbursed only with the prior approval of the Board of Directors. The budget for Audit is set at five hundred (\$500). Any amount over that will need to be Board approved. All expenditures must be okayed in writing by the Committee Chairperson. This includes purchases with cash expenditures from petty cash. If NOT APPROVED in writing before the purchase, the buyer WILL NOT be reimbursed.

POLICY

1. Prior to the Annual General Meeting, the Audit Committee shall audit the financial records and related areas of the corporation of the previous fiscal year to ensure accuracy, completeness, and accountability.
2. The Board of Directors, Officers, Managers, Committee Representatives, and Leaseholders may not interfere, refuse to allow, or in any way disrupt the orderly audit process, withhold, or change any report to the Board of Directors or membership without the permission of the Audit Committee.
3. The Audit Committee will have no supervisory standing in relation to the Office Staff and will not make recommendations directly to the Office Staff regarding policies, operating procedures, or the daily operations of the office or the staff. Any such recommendations, prior to the completed Audit Report to the Board, will be discussed with the Treasurer. After this discussion, the recommendations of the Audit Committee and the Treasurer will be submitted to the Board of Directors for review and corrective action if required. The Final Audit Report is not required to be discussed with the Treasurer, prior to the submittal to the Board of Directors.
4. The Audit Committee shall be limited to 6 members plus the Chairperson.

PROCEDURE

THE FINANCIAL RECORDS OF THE CORPORATION SHALL BE AUDITED AS FOLLOWS:

- 1a The Annual Audit before the AGM will include, but not be limited to the following areas: financial statements of the corporation (Balance Sheet, Profit and Loss, General Ledger, General Journal and Schedules) and areas which provide the financial data for such statements, lot transfers, trust funds of Waiting List, propane sales, inventory, cost of propane sold, rental spreadsheet of Leaseholder Lots, bank statements and reconciliations for accounts held under the corporation's taxpayer ID number, mileage receipts, monthly receipts, and credit card statement. Also to be audited are the office cash, (Daily, petty, laundry, and stamp money) and the laundry/RO deposits reconciled to the spreadsheet or tickets. The Audit Committee shall audit for documentation for purchases, payments, as well as documentation of receipt of items purchased.
- 1b When a new Treasurer assumes office.
- 1c At the request of a majority of the membership.
- 1d At the direction of the Board or the Board Treasurer.
- 1e When there is a managerial change in the KOFA KO-OP office.
 - "Office cash" only. This includes the daily cash drawer, petty cash, and laundry money.
- 2 All necessary records will be made available to the Audit Committee members for audit as long as they are pertinent to the audit.
- 3 Audits will be conducted in the least obtrusive manner while achieving an in depth and complete audit or the audit goal as determined by the Audit Committee.

- 4 The Audit Committee will give a 24 jour notice of documents needed.
- 5 All cash audits shall be done without notice and by two people (two Audit committee members or one Audit Committee member and one leaseholder).
- 6 All audits by Committee members shall be given to the audit Committee as a whole for review and reporting to the Board.
- 7 When appropriate, the Audit Committee will work with the Board of Directors, the Treasurer, and others as designated by the Board to correct and deficiencies.
- 8 Upon the completion of its annual audit, the Audit Committee shall prepare a report to the Board of Directors, which will be made available to the membership by inclusion in the Annual Report.
- 9 The Audit Committee may ask the Board for an outside audit if they believe it is necessary.

Committee Chairperson

Date

Board Approval

Date