Welcome and thank you for joining us!

Cheryl Ing  4th District PTA Auditor
How To Complete A Financial Audit
The Purpose of an Audit

• Check accuracy of all finance officer books
• Look for inconsistencies and errors
• Protects financial officers
• Verify that funds collected and spent are done as the membership voted to do
• Verify that no online or ATM banking is done.
Audit Timeline

• Your PTA bylaws give you the audit due dates
• Semi-Annual audits are done (twice a year)
• Audits are also done when bank accounts are closed or if a check signer is removed
• An audit should not take more than 2 weeks to complete
Who completes the Audit -
You have options

• Your PTA Auditor
• An audit committee
• Council or District Auditor
• Paid independent auditor (CPA, etc..)
Auditor Duties

• All accounts are audited separately
• Review financial transactions through all the records
• Ensure proper accounting for receipts and expenditures
• Ensure that all expenditures have been authorized in the minutes
• An auditor is never a check signer
Questions?
Audit Checklist

• Financial records should be provided by the finance secretary (if you have one) and the treasurer.
• Executive board and association minutes will be provided by the secretary, who should have copies of all committee reports provided at meetings.
• Any records that are not provided are noted in auditor’s recommendation letter.
• Funds not belonging to PTA.
Beginning Balance

• Look for the last auditor’s signature verifying the last audit ending balance.
• Reconciled ending balance from last bank statement as indicated on the last audit report.
• Balance forward on the first treasurer’s report.
Audit Procedure

• Audit each account separately
• Check “YES” or “NO” as each item is completed
• All “NO” answers require a recommendation which should be noted as you work
• Check off items as reviewed
• Corrections in ledger/check register can be made only by the person who made the original report
Questions?
Membership Income Recorded

- Verify membership recorded and deposited equals total number of memberships
- Secretary has the official membership list
- Membership dues has to be recorded and divided up correctly for the unit/council/district income and “Income not belonging to the unit/council/district”
- Verify that “Disbursements not belonging to PTA” has been forwarded thru channels
Insurance Premium
Tax Filings
Workman’s Compensation
Treasurer Report’s
Finance Secretary’s Report
Annual Finance Report
Questions?
<table>
<thead>
<tr>
<th>Date</th>
<th>Name of Unit</th>
<th>Council</th>
<th>Bank Name</th>
<th>Bank Address</th>
<th>Bank Account</th>
<th>Balance due</th>
<th>Statement of Receipts and Disbursements</th>
<th>Check numbers reviewed in this audit</th>
<th>Balance on hand at time of audit (if any)</th>
<th>Receipts (if any) since last audit</th>
<th>Cost of Audit (if any)</th>
<th>Balance on hand</th>
<th>Total</th>
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<td>DISBURSEMENTS: (total)</td>
<td>Check numbers reviewed in this audit</td>
<td>BALANCE ON HAND at time of audit (if any)</td>
<td>RECEIPTS since last audit</td>
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<td>TOTAL DISBURSEMENTS: (total)</td>
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<td>BALANCE ON HAND at time of audit (if any)</td>
<td>RECEIPTS since last audit</td>
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<td>BALANCE ON HAND</td>
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<td>BANK RECONCILIATION</td>
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<td>BALANCE ON HAND at time of audit (if any)</td>
<td>RECEIPTS since last audit</td>
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<td>BALANCE ON HAND</td>
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<td>REPORTS not yet reconciled (add to balance)</td>
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<td>BALANCE ON HAND at time of audit (if any)</td>
<td>RECEIPTS since last audit</td>
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<td>BALANCE ON HAND</td>
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<td>CHECKS OUTSTANDING (if any)</td>
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<td>BALANCE ON HAND at time of audit (if any)</td>
<td>RECEIPTS since last audit</td>
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<td>BALANCE ON HAND</td>
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<td>TOTAL outstanding checks (balance + checks)</td>
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<td>BALANCE ON HAND at time of audit (if any)</td>
<td>RECEIPTS since last audit</td>
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<td>BALANCE ON HAND</td>
<td>TOTAL</td>
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The following is all the data to be used when the auditor's report is given:

1. Audit completed by [Name of Auditor]
2. Execution Board Approved
3. Auditors' Signature
4. Date of Report

[Note: The form contains additional instructions and sections for the auditor's report, but they are not fully legible in the image.]
Audit Recommendation Letter

Give copies of audit to appropriate officers and entities
Questions?
Five Minute Audit

• Look at the checks to verify
  • 2 signatures
  • Date, amount, payee match treasurer’s report

• Look at the deposits to verify
  • Date and amount match finance secretary and/or treasurer’s report
  • Deposits are made in a timely manner
  • Assure that no online banking has occurred
  • No online payments
  • No ATM withdrawal transactions

• Contact treasurer to resolve any errors
Mismanagement

• Lack of receipts
• No Financial Reports
• Officer misses meetings and does not return phone calls or e-mails
• No money to pay bills-PTA checks returned for lack of funds
Financial Situations to Avoid

• School staff member as treasurer or president
• Principal who wants projects funded without going through the approval process required by PTA
• Encumbering future boards by paying salaries for on-going staff positions
• Finance officers signing blank checks
• Lack of/incomplete minutes, particularly in matters involving us of funds
Questions?
Thank you for attending!