

Audit and Finance Committee

1) Financial Review

- a) Auditing involves following financial transactions through records to make sure that receipts have been properly accounted for and expenditures made as authorized in the minutes and in conformity with the Club’s bylaws, standing rules and budget limitations.
- b) The Audit and Finance Committee is chaired by the Club’s sitting president and is responsible for performing an annual review of the Club’s financial records.
- c) The Treasurer should not serve on this committee in any capacity except to provide documentation and respond to inquiries from the Committee to ensure that there is a complete objective review of the financial records.
- d) Using a certified public accountant (CPA) or accounting firm is not required, but is acceptable if the Club leadership deems it necessary. If a CPA is used then a review by the Club is not necessary.

2) Purpose of a Financial Review

The purpose of a financial review is to provide reasonable assurance that an organization’s financial statements are free of material misstatement and are prepared according to the Club’s bylaws. A financial review assures the membership that the Club’s resources/funds are being properly accounted for and managed within the guidelines established for their use.

3) Financial Review Process

a) Required documentation:

Copies of previous audit reports that are on file with the Treasurer;	Secretary and/or Treasurer
Cash disbursement ledger and cash receipts;	Treasurer
Checkbook / deposit slips;	Treasurer
Bank statements;	Treasurer
Monthly financial reports;	Treasurer
Investments such as money markets, certificates of deposit, etc.	Treasurer
Minutes of the prior year’s Board meetings	Secretary
Membership records (prior year)	Secretary and/or Treasurer

b) Perform review of the following:

- i) Cash receipts and disbursements transactions in the case disbursement ledger;
- ii) Review cash receipts using deposit slips and checkbook;

- iii) Review cash disbursements using invoices attached to bank statements and checkbook;
 - iv) Reconcile cash in bank with cash disbursement ledger and checkbook, per bank statement;
 - v) Accounts Payable;
 - vi) Accounts Receivable;
 - vii) Membership dues paid to the Club;
 - viii) Investments; and
 - ix) Minutes of the board meetings to ensure that motions and voting decisions of the board have been duly recorded and verify that all designated expenditures have been appropriately approved according to the bylaws.
- c) Apply general and overall tests and checks to satisfy that the records represent fairly the financial position of the Club. Some items to look for:
- i) Monthly bank reconciliation;
 - ii) Unexplained reconciling items;
 - iii) Unusual endorsements on checks;
 - iv) A match of check endorsements to payees;
 - v) Disbursements not supported by invoices or other documentation;
 - vi) Blank checks secured in a safe place;
 - vii) Deposit ticket dates timely with dates received by bank;
 - viii) Timeliness of deposits based on known dates of events; and
 - ix) All invoices paid by check and not cash.

4) Final Report

- a) If all is in order, the Audit and Finance Committee should prepare a report:
 - i) A sample report might read, "The Audit and Finance Committee has examined the records of _____ the Springwood Swim Club for the period of (time covered) and found them to be correct. Balance on hand: \$ _____."
 - ii) Once error are corrected or adjustments made, if any, by the treasurer and the president is satisfied that the financial accounts are correct, sign and date the annual report using a different color ink: "Examined and found correct. (Name), (date)."
- b) Should the Audit and Finance Committee feel that there are not adequate records available to conduct a proper accounting of the Club's funds:

- i) A sample report might read, "The Audit and Finance Committee has examined the records of _____ the Springwood Swim Club and found that more additional documentation is required so a more thorough financial review can be given."
 - ii) The Audit and Finance Committee should indicate the information that is needed.
- c) Should the Audit and Finance Committee feel that there is room for improvement in the Club's financial controls:
- i) A sample report might read: The Audit and Finance Committee has examined the records of _____ the Springwood Swim Club and found that the accounting procedures followed are inadequate and recommends the following improvements: _____"
 - ii) The Board would review and adopt/reject those recommendations which would be recorded in the minutes.
- d) The report and any accompanying notes or schedules should be provided to the following board members and presented at the first Board of Governors meeting that follows:
- i) President;
 - ii) Executive Vice President;
 - iii) Treasurer; and
 - iv) Secretary.
- e) The financial review must be officially adopted by the Club's Board of Governors and must be included in the Club's minutes.
- f) If the report states that additional information and verification is needed, the requested information should be provided by the treasurer and the process resumes from Section 3 (c) above.