

AUDIT COMMITTEE & ITS REPORT

What? An audit follows financial transactions through the records to be sure that receipts are included and that expenditures are made as authorized in the approved budget and in conformity with PTA Bylaws. 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 an Audit Committee of at least three appointed members to conduct the review. Only members who are not signatories may serve on the committee.

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 Audit Report is due at the end of October to LAPTA with the Active Affiliation report.

How? The Treasurer turns over all necessary documentation to the Audit Committee. The current and previous Treasurers should be available for questions. The Treasurer supplies the Audit Committee with the last audit report, checkbook, bank statements, Expense and Deposit Forms, financial and annual reports, any minutes that contain budget adoptions or amendments, and any other information requested.

Procedure: The Audit Report at the end of this section contains instructions and a worksheet. Begin with the records 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 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 the Treasurer's reports 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. The report indicates the information needed and any 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, contact Louisiana PTA or an independent CPA.

The Audit Report Form, instructions, and a worksheet are found later in this section.

AUDIT REPORT

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

Local Unit Name _____ Parish _____

LUR# _____ IRS EIN _____ Fiscal Year _____

Dates covered by this audit: First date _____ to last date _____.

Check number range reviewed by this audit are _____ to _____.

Ledger or Accounting Software Reconciliation

1. _____ Beginning balance on Date: _____ (day 1 of audit year)
2. _____ Sum of all deposits for audit year
3. _____ TOTAL (Add lines 1 & 2)
4. _____ Sum of all expenses with receipts for audit year
5. _____ Ending balance on hand on last day of audit year (Line 3 minus Line 4)

Bank Statements Reconciliation

6. _____ Bank Statement Balance on Date: _____ (day 1 of audit year)
7. _____ All credits on bank statements for audit year
8. _____ All deposits not yet credited (_____)
9. _____ TOTAL (Add lines 6, 7, & 8)
10. _____ All withdrawals on bank statements for audit year
11. _____ All uncleared checks not on bank statements (_____)
12. _____ Ending balance on last day of audit year (Line 9 minus Lines 10 & 11)

Line 5 must equal Line 12.

The Audit Committee examined the financial records on _____ date and find them:

- 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 Board of Directors.

If there are discrepancies or missing paperwork, work with the previous Board to resolve any issues. For further assistance, contact LAPTA at Treasurer@LouisianaPTA.org.

Auditors' names, emails, phones, and signatures:

1. _____

2. _____

3. _____

AUDIT INSTRUCTIONS

Audit Committee Details from the Bylaws: An Audit Committee of three members is appointed by a majority vote of the General Membership or by a two-thirds vote of the BOD to examine the books at the end of the fiscal year or after the resignation of a check signatory. The report is presented to the General Membership and a copy provided to LAPTA. See LouisianaPTA.org/treasurer.

Supplies: For the audit, the committee members, as determined by the Bylaws, need the checkbook, all Expense Forms and Deposit Forms, all bank statements for the fiscal year, and a copy of the previous year's audit. Each committee member oversees one part of the financials to review: one reviews the bank statements for the fiscal year, one reviews the checkbook or accounting software file for the fiscal year, and one reviews all expenses and Expense Forms for the fiscal year. The Treasurer may not participate in audit except to answer questions.

Instructions

- 1) Start with previous year's audit to verify that beginning of year balance equals the previous year's ending 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. 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 all outstanding deposits (line 8) and uncleared checks (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 incorrect, first ask those involved to correct mistakes and then seek advice from the LAPTA 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 income 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 from the 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 from the 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.

If there are discrepancies or missing paperwork, work with the previous Board Members to resolve any issues. If a receipt is missing, a letter explaining the situation by the people involved may be submitted. After attempting to resolve any disputes, contact LAPTA Treasurer at treasurer@LouisianaPTA.org.

AUDIT WORKSHEET



Complete as needed to assist with the audit.

DEPOSITS

Deposits from _____ to _____ \$ _____
Day 1 Last Day Sum of deposits

(Line 7 of Audit Report)

Enter the total deposit amount per month listed on the 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 _____

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 Last Day Sum of withdrawals

(Line 10 of Audit Report)

Enter the total withdrawal amount per month listed on the 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: _____