

THE AUDIT COMMITTEE

Prior to the end of the club year, the President shall appoint an Audit Committee of three members whose duty shall be to audit the Treasurer's books at the close of the fiscal year and to file a report. Treasurer's books are delivered to the Audit Committee by July 31. Members who handle the financial records will not be assigned to this committee. It is recommended that Executive Board members not be appointed to the Audit Committee if other members are available to serve.

GUIDE FOR THE AUDIT COMMITTEE

The audit is based on the following records: check book, bank statements, treasurer's reports, cash receipts and disbursements, budget and secretary's minutes. The club may hold the committee accountable for any unexplained inaccuracies which may be found in the future in the material audited.

Step 1. Proving the Accuracy of the Books

a. Take the beginning balance established by the last audit, add the receipts for the year, and subtract the disbursements to determine the **BALANCE ON HAND AT THE END OF THE PERIOD**. This balance should agree with : (1) the balance on the treasurer's financial report and (2) the bank balance plus any cash on hand.

b. If the treasurer did not reconcile the bank statements, the Audit Committee should do so. The adjusted book balance and bank balance must agree and should agree with the **BALANCE ON HAND AT THE END OF THE PERIOD**.

c. Ascertain that the correct amount of dues and initiation/reinstatement/transfer fees have been collected from the membership.

d. Verify the amount sent for district and international dues and initiation/reinstatement/transfer fees for the new/reinstated/transfer members. (Be sure that members who have resigned have been dropped.)

e. Check to see if total amount of receipts agrees with the total deposits.

f. Ascertain that the total amount of all checks written equals the total amount of disbursements recorded on the books.

Step 2. Authorization

From the minutes, standing rules and budgets, determine that all disbursements were authorized. All disbursements should be supported by bills or receipts.

Step 3. Report

The report should be short and to the point. State what the review included, what was found, an opinion of the balances and any recommendations which may be helpful. It is the duty of the chair of the Audit Committee to prepare the report. The Committee should make an effort to correct any inaccuracies.

Report by the Committee:

"The Audit Committee of the Pilot Club of _____ certifies that it has examined the books of the treasurer from the period of _____ (date--first day of the fiscal year), through _____ (date- last day of the fiscal Year), and has found them to be correct." (Signature)

The Chair can assume the motion by saying "The question is on the adoption of the report of the Audit Committee. Are you ready for the question?"

After debate, if any, the Chair Says, "Those in favor of the adoption of the report of the Audit Committee Say "AYE". (Pause) "Those opposed , say "NO". The ayes have it and the report of the Audit Committee is adopted".

Each member of the Audit Committee signs the report.

AUDIT COMMITTEE REPORT

The Audit Committee of the Pilot Club of _____ certifies that it has examined the books of the treasurer from the period of July 1 _____ through June 30 _____ and has found them to be correct

Signed: _____

Date: _____

Proving the accuracy of the books:

| | | |
|---------------------------------|-------|----------------|
| Beginning balance of last audit | _____ | July 1, _____ |
| Add receipts for the year | _____ | |
| Total | _____ | |
| Subtract Disbursements | _____ | |
| Balance on Hand | _____ | June 30, _____ |

| | | |
|--|-----------|----------|
| Balance agrees with (1) balance on treasurer's financial report | Yes _____ | No _____ |
| Balance agrees with (2) bank balance plus any cash on hand | Yes _____ | No _____ |
| Bank statement reconciled | Yes _____ | No _____ |
| Adjusted book balance and bank balance agree | Yes _____ | No _____ |
| Adjusted book balance and bank balance agree with the balance on hand at the end of the period | Yes _____ | No _____ |

| | | |
|--|-----------|----------|
| Correct amount of dues and initiation fees have been collected from the membership | Yes _____ | No _____ |
| Amount sent for District dues | _____ | |
| Amount sent for international dues | _____ | |
| Amount sent for initiation of new members | _____ | |

| | | |
|--|-----------|----------|
| Total amount of receipts agrees with the total deposits | Yes _____ | No _____ |
| Total amount of all checks written equal the total amount of disbursements recorded on the books | Yes _____ | No _____ |

Authorization:

| | | |
|--|-----------|----------|
| Determine that all disbursements were authorized | Yes _____ | No _____ |
| All disbursements are supported by bills or receipts | Yes _____ | No _____ |

