

Audit Committee Guidelines

The Audit Committee should be composed of at least three members and its purpose is to review the accounting records and financial statements prepared by the treasurer for accuracy and reasonableness. Committee members are not to include the treasurer, anyone related to the treasurer, or anyone involved in the financial affairs of the group.

Annual procedures for review audit committee at end of the fiscal year:

1. Check each month's reconciled bank statement and canceled checks. Make sure the financial report postings are current, accurate and complete.
2. Examine all voided checks. If a voided check is not on file, verify that the check has not cleared the bank.
3. Total all funds received. Verify that cash receipts were written and that funds received were listed on the financial reports.
4. Total all deposits. Verify that the amounts listed on the Deposit Form (if applicable) and deposit slips agree with the amounts listed in the electronic record keeping reports and the total in the check register and the bank statements.
5. Total all expenditures. Verify that a Reimbursement/Payment Request Form with attached bill/ invoice is on file for each expenditure and that the expenditure was appropriate. Verify that all expenditures were paid by check, not in cash.
6. Examine the Annual Financial Report. Verify that the amounts listed agree with the amounts in the electronic record keeping reports and the total in the check register and the bank statements.
7. The treasurer's total balance at the beginning of the year (bank balance, plus all funds received, minus all expenditures, must equal the treasurer's total balance at the end of the year (bank balance).
8. Examine the group's Annual Inventory Form and make sure that all property/equipment has been properly accounted for and documented. A letter or receipt should be on file for each gift of property received, documenting donor, date, value and any restrictions placed on the donation by the donor.
9. Complete the "Audit Checklist and Report" and file with the appropriate group as outlined in the "Financial Guidelines for Kentucky Cooperative Extension Service County Groups."

January 2023