

## **[Name of Organization]** **SELF-AUDIT INSTRUCTIONS**

The time you have volunteered to review the books of [NAME OF ORGANIZATION] is greatly appreciated. It is important to be able to confirm to the Board of Directors the records of the organization accurately reflect the true financial condition of the [NAME OF ORGANIZATION].

A step-by-step procedure has been laid out that will help you to look through all of the financial and organizational information in an efficient and systematic manner. After completing the audit worksheet provided and reviewing the accounting records, you should be able to the best of your knowledge to verify whether or not the internal controls are effective and that the financial records accurately reflect the financial position of the [NAME OF ORGANIZATION]. The following are important points to remember.

1. The Treasurer and Secretary are there to provide you with any material, information or explanation that you might need.
2. Your role is to check the records in the current bookkeeping system and NOT to make changes in the bookkeeping system itself.
3. In many cases, to maximize the efficiency of your time, each committee member can be working on a separate step on the worksheet.
4. If you find a problem in the books, and you do not get a satisfactory explanation, you should discuss it with the Board of Directors.
5. Document in formal minutes, the procedures performed and determine the effectiveness of the internal controls to expose any payments, transactions, or procedures which might be deemed illegal, improper or not in compliance with the [NAME OF ORGANIZATION] requirements. Communicate these minutes at the Board of Directors meeting.

Again, we thank you for the time you have volunteered to help strengthen the [NAME OF ORGANIZATION]. Your efforts are genuinely appreciated.

# AUDIT WORKSHEET

**Step 1;      Audit day scheduled**

Day \_\_\_\_\_

Time \_\_\_\_\_

Ample workspace and materials?

(paper \_\_\_\_\_ pencils \_\_\_\_\_ calculator \_\_\_\_\_)

**Step 2:      Review Board minutes for the year.**

(A) \_\_\_\_\_ Yes    \_\_\_\_\_ No

Are all of the minutes properly filed?  
(List minutes not filed below.)

(B) \_\_\_\_\_ Yes    \_\_\_\_\_ No

Are previous meeting minutes being  
approved by the Board?

(C) \_\_\_\_\_ Yes    \_\_\_\_\_ No

Are the financial statements being reviewed by the  
board?

(D) Highlight any major expenditures approved by the Board. When checking invoices later, check for any inconsistencies.

(E) Record on a separate sheet any fixed asset purchases approved by the Board. When reviewing the invoices for these purchases, list the date purchased, the cost, and a description for the asset on this same sheet.

**Step 3:      View contracts such as space or catering agreements and staff contracts.**

(A) \_\_\_\_\_ Yes    \_\_\_\_\_ No

Are the agreements current?

(B) \_\_\_\_\_ Yes    \_\_\_\_\_ No

Are payments being made/received in accordance  
with the agreement?

Comments

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**Step 4: Review invoices, check stubs and returned checks. The tests you should run on the checks as you look at them are as follows:**

- Does the amount match the invoice?
- Who is the check made out to? (Payee and the maker should not be the same.)
- Who endorsed the check?
- Make sure the endorsement has not been altered
- Is the check signed by an authorized check signers?
- Are vouchers and/or invoices canceled by use of a stamp handwritten notation, perforation or other suitable method to prevent reuse and possible duplicate payment?
- Are void checks properly marked "void" and is the signature area removed?

**Step 5: Take a physical inventory of supplies and equipment. Compare the physical inventory to the list maintained by the Treasurer.**

- (A)  Yes  No      Does the physical inventory list reconcile with the list maintained by the Treasurer?

Comments

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**Step 6: Review general insurance coverage**

- (A)  Yes  No      Are insurance policies paid up and current?
- (B)  Yes  No      Is general liability coverage in effect and adequate?
- (C)  Yes  No      Is the Directors and Officers insurance current and are the Directors properly insured?

Comments

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**Step 7: Review tax forms that have been filed**

(A)  Yes  No

Is the copy of the IRS form 990 properly filed with supporting documentation?

Comments

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**Step 8: Receipt of Funds**

(A)  Yes  No

Are cash receipt forms properly filled in indicating date, amount, whom from, purpose of receipt and date deposited?

(B)  Yes  No

Are restricted contributions properly recorded and segregated in the accounting records?

Documentation supporting restricted contributions should be maintained. Supporting documentation would be a letter from the donor or a copy of the check that indicates the donor's intent.

(C)  Yes  No

Are receipts deposited in a bank intact, and on a timely basis (preferably daily, but at least once a week?)

Depositing receipts "intact" means insuring that the bank deposit amount equals the total of applicable receipts for the period covered by that deposit.

(D)  Yes  No

Are un-deposited cash and checks properly safeguarded in a safe or locking fire resistant file cabinet before deposits are made?

Comments

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**Step 9: Review Bank and Money Market Statements**

- (A)  Yes  No      Are bank statements going unopened and directly to the administrative assistant before being turned over to the Treasurer?
- (B)  Yes  No      Are the original statements available?
- (C)  Yes  No      Are the checking account statements reconciled?
- (D)  Yes  No      Are the money market statements reconciled?
- (E)  Yes  No      Do all these figures match with those in the cash journal or the computer detail and/or check register?
- (F)  Yes  No      Are transfers between bank accounts properly authorized?

**Step 10: Record Retention**

- (A)  Yes  No      Are financial records filed and identifiable by fiscal year?
- (B)  Yes  No      Are computer records being backed up on at least a weekly basis?
- (C)  Yes  No      Are back-up disks being kept offsite?

Comments

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**Final Conclusion: To the best of our knowledge, the financial records being kept by the [NAME OF ORGANIZATION] accurately reflect the financial position of the [NAME OF ORGANIZATION].**

\_\_\_\_\_  
Signature, Self-Audit Committee Member

Date \_\_\_\_\_

\_\_\_\_\_  
Signature, Self-Audit Committee Member

Date \_\_\_\_\_

\_\_\_\_\_  
Signature, Self-Audit Committee Member

Date \_\_\_\_\_

Final Comments

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