

AUDIT PROCESS

Audit objective

Purpose: To certify the accuracy of the books and records of the PTA. To assure the membership that the association's resources/funds are being managed in a business-like manner within the procedures established.

What is an audit?

Auditing involves following financial transactions through the records to be sure that receipts have been properly accounted for and expenditures made as authorized in the budget, as approved by the general membership, and in conformity with PTA bylaws and standing rules. The audit must review all accounts of the PTA.

Who may conduct the audit?

Georgia PTA recommends that individuals selected to serve on the audit committee or as an auditor have an accounting or financial background and an unbiased, independent perspective of the books. An auditor or auditing committee member shall not be related to any signee on the checking account by marriage or any other relationship. No one who was a signer on the account may audit the books! This includes the president of the local unit as well as treasurer.

Seeking auditors may include asking your school and community family. Often people with financial backgrounds will offer to donate this service in exchange for a written thank you in the school newspaper, recognition of such donation on the webpage, or in the next PTA program book. If a professional auditor is used, please include a line item in the member approved budget for this service. These should be a reasonable amount usually not exceeding \$300.

When is an audit performed?

- On an annual basis at the end of each school year
- Upon resignation of the treasurer during the school year
- When any authorized check signer is added or deleted on any bank account
- At any time deemed necessary
- When funds are suspected missing
- To remain a local unit in good standing an audit must be submitted to the state office by the last business day of September.

Preparing for the audit: The outgoing treasurer is responsible for putting the financial records in order for the audit committee. The outgoing treasurer should deliver the following to the auditor:

- A copy of the last audit report
- The checkbook containing stubs of all checks written and cancelled checks
- Bank statements (should be reconciled) and deposit receipts
- Treasurer's book or ledgers
- The annual financial report
- All treasurer's reports
- All itemized statements and receipts of bills paid
- All check Request and Cash Verification forms
- Adopted budget and any amendments that were approved by the membership during the year
- Current bylaws
- Copies of board, executive committee, and association minutes

The auditor/auditing committee report shall be in writing. If the auditing committee finds there are not adequate records or accounting procedures used, this information should be noted.

The audit report must be given to the association and officially adopted (a copy is provided to the secretary for the minutes.) A copy of the audit report must be provided to the Georgia PTA state office no later than the last business day of September using the Local Unit Audit Packet Cover Sheet in the *Forms* section of this resource.

Additional information regarding conducting of the audit may be found in the Leadership Resource Guide, pages 114-116.

Questions: Please contact the Georgia PTA State Treasurer: Melody Richitelli: treasgpta@bellsouth.net.