

Three Keys for successful auditing



- 1 – **Prepare:** Meet with the treasurer at the beginning of the year to set ground rules. Look at the audit checklist to determine what records and tools you will need at mid-year and the end of the year. Make sure the treasurer knows what these records are and how to properly keep them. Discuss the treasurer's, the president's, the recording secretary's, and the financial secretary's roles in managing funds and records up front, so you can catch any obvious problems before they occur. If these people are doing their jobs properly, your job will be easy.
- 2 – **Use the audit checklist:** The revised checklist is in this packet and on the website at www.capta.org. It lists what you need, how to proceed, and how to report your findings. It's like a cookbook for the perfect audit. Do not use the form in the 2009 California State PTA Toolkit Forms section.

How to red-line computerized records to indicate the end-point of the audit: Make two copies of the last page of the computer-generated check register, underline to balance as of the audit date in red, sign and date both copies. Attach to the auditor's copy of the audit and give the other to the secretary to be included with the audit report for the minutes.

- 3 – **Ask questions:** Don't assume you know how something went or what you think you saw. If you are lost, and the answer isn't on the audit checklist, ask directions. Ask where the popcorn machine is that was purchased for the festival. Ask who counted money from an event that has no documentation except for a bank deposit. Ask why there were no expenses for a DJ (disk jockey) at the carnival, when \$600 was approved for the cost. If the DJ said he liked your school so much he decided to do it for free, suggest they give him a Very Special Person, Honorary Service (VSP) award, and record the donation in kind. If you don't record financial transactions or in kind donations, you won't have a permanent record for those who succeed you. You have the support of all levels of PTA: council, district and state PTA leaders are always available to assist you.

A statement about FRAUD or mismanagement of funds:

Your job is not to uncover fraud. Your job is to verify that things have been done wisely, properly, and timely. Fraud is usually reported to the auditor by someone else, and then the auditor's job is to determine how much, how it happened, and how to prevent it from recurring. It's better to start the year out with appropriate ground rules, so it can't happen. Fraud is a very serious allegation. If mismanagement is suspected, get assistance from the council or district PTA leadership. There are very important steps that must be followed.