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## Council Auditor Orientation November 21, 2019

Prepare the council audits (mid-year and end-of-year) and present to the board as required

Keep unit auditors updated – by email and/or via unit presidents at council meetings.

Provide answers to questions from unit auditors (use toolkit)

Provide unit auditor training

For units with no auditor, either personally do their audit or help find someone who will complete their audit.  
Encourage the unit to continue to search for someone willing to be their auditor.

Collect the unit copies of the Adopted Audits

Review the audits, record on the audit status spreadsheet

Scan and upload the audits to PTA-EZ, if possible

Keep a copy of unit documents for council records (if possible), and forward a copy to Fourth District

Email the audit status spreadsheet to [auditor@fourthdistrictpta.org](mailto:auditor@fourthdistrictpta.org) or have your unit president turn it in at the district meetings

Attend the Auditor Workshops offered in the spring and/or fall to update yourself with current information

Auditors are now allowed to access PTA-EZ to upload documents.

New requirements for audits:

If your audit was not performed by a qualified accountant (paid or volunteer), an audit review committee is required.

A qualified accountant is someone who has been trained/licensed to conduct audits and/or review accounting records, such as a Public Accountant or Certified Public Accountant (CPA). They do not need to be currently employed in the field.

An audit review committee is a committee of at least two people (which may include the auditor and/or other non-signing board members) who review the audit and any findings or recommendations BEFORE the audit is presented to the executive board for review and adoption.

The audit review committee should sign the audit form at the bottom of the page with a notation "Audit review by" preceding their signatures and the date of the review.

Other things that may affect the auditor:

Bank statements must be reviewed and signed by a non-signer. If there are no physical statements, a non-signer should have view only access. They should print, sign and give to the treasurer for their records.

Account reconciliation (balancing sheet) also needs to be reviewed and signed by the non-signer.

# Audits

## A Question and Answer Guide

How many audits must be done yearly?

- At least two per bank account

Each bank account requires a separate audit?

- Yes

When should audits be done?

- At the end of a fiscal year (usually July)
- In the middle of the fiscal year (usually January)
- Whenever a check signer resigns or is removed from office
- Whenever mismanagement is suspected

Who conducts an audit?

- The elected or appointed auditor. Auditors may not be related to any check signers by blood, marriage or cohabitation.

Who appoints an auditor if no one is elected?

- The executive board appoints an auditor and the association ratifies that appointment. Note: This is not how appointments are usually made. This is a special case so that a president, who is usually a check signer, is not appointing the person who will be auditing the financial records.

What is an audit review committee?

- An audit review committee is a committee of at least two people (which may include the auditor and/or other board members) who review the audit and any findings or recommendations BEFORE the audit is presented to the executive board for review and adoption.
- The audit review committee should sign the audit form at the bottom of the page with a notation "Audit reviewed by" preceding their signatures and the date of review.

Why do we need an audit review committee?

- It's an insurance requirement. Insurance claims may be denied or coverage voided if audits are not reviewed at least annually by an audit review committee.
- An audit review committee is NOT required if the audit is performed by a qualified accountant (paid or volunteer).
- A qualified accountant is someone who has been trained/licensed to conduct audits and/or review accounting records, such as a Public Accountant or Certified Public Accountant (CPA). They do not need to be currently employed in the field.

Do we need an audit review committee if our audit is conducted by a council or district officer?

- Yes. An audit review committee is not required ONLY IF the audit is conducted by a qualified accountant.

What are the steps in conducting and adopting an audit?

- The auditor conducts the audit, completes the audit form and checklist and notes any findings/recommendations. The auditor signs and dates the audit.
- The audit review committee (at least two people) reviews the audit. They should sign the bottom of the audit form as described above.
- The audit is presented to the president and treasurer, then to the entire executive board at a board meeting. The executive board reviews and adopts the audit. The date the audit is adopted by the board is noted on the audit form and in the meeting minutes.
- The audit is presented to the association for adoption. The date the audit is adopted by the association is noted on the audit form and in the meeting minutes.
- The audit (original) is filed with the treasurer's records.
- A copy of the completed audit is uploaded into PTAEZ.
- The council or district is notified the audit has been uploaded and/or sent a copy of the completed audit.