Recommended Audit Procedures

- Secure all financial records (blank checks, cancelled checks, bank statements, ledgers, receipts) for the audit period.

- Review each check for correct signatures and appropriateness of payment or vendor. In instances when it is necessary for check(s) to be written to a signatory, the check(s) should be signed by someone other than the signatory.

- Match documentation (invoice, cash register receipt) to each check.

- Select a sample of expenditures and review minutes to determine whether expenditures were authorized.

- Trace receipts/expenditures recorded on the ledger to the bank statement.

- Compare dates of receipts to dates of deposits. Document any extended delays in deposits (more than one week).

- Review numerical sequence of canceled and unused checks. List any missing checks.

- Compare donor records to recorded receipts. Document any differences.

- Reconcile at least two bank statements to the records.

- If certificates of deposit are owned, verify that they are still on deposit with the bank. If no longer on deposit, trace proceeds to deposit in checking account.

- Compare receipts/expenditures to budget. Determine if level of activity appears to be reasonable.

- Provide mathematical accuracy of records:

  \[
  \begin{array}{c}
  \text{Cash Balance 12/31/98} \\
  + \quad \text{Receipts During 1999} \\
  - \quad \text{Expenditures During 1999} \\
  \text{Cash Balance 12/31/99}
  \end{array}
  \]

- List any checks that are outstanding and date of issue.

- Compare financial records of treasurer’s report for at least two months. Document unreasonable differences.

- Report to the membership of the 4-H committee the state of the past years records.

Source: OSU Extension Business Procedures Handbook, Section 16.0