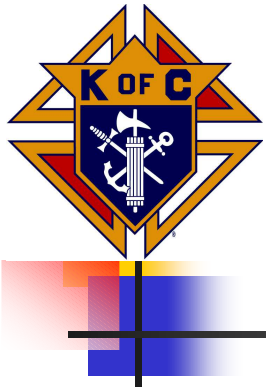


Illinois State Council Knights of Columbus Academy

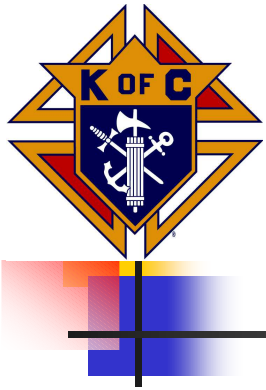
Audit Training





Objectives

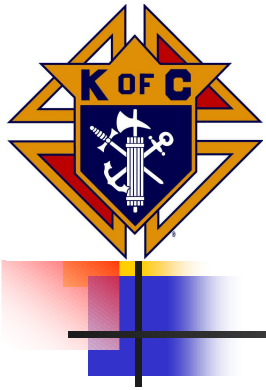
- Understand the purpose and value of the semi-annual audit
- Understand the steps in preparing an audit
- Demonstrate understanding of the audit process through activities



Audit – A Definition

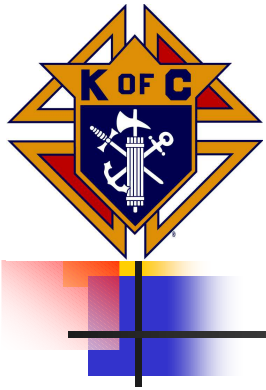
1 a: a formal examination of an organization's or individual's accounts or financial situation **b :** the final report of an audit

2 : a **methodical examination** and review



Why do we audit

- To ensure that proper procedures are being followed with regards to monies received and disbursed.
- To help all the council officers and members understand the state of the council as it relates to finances and membership.
- Bonding of officers is tied to audit completion.
- Members in arrears in their dues must show on the audit before suspension.
- The Supreme Office requires it.



Roles in the Audit

■ Trustees

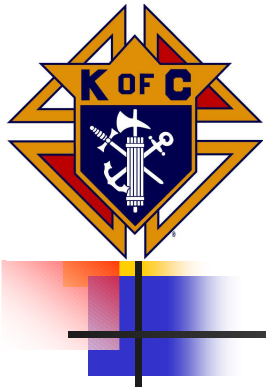
- Senior Trustee (or a designated Trustee) should plan the audit
- All Trustees (along with the Grand Knight) complete the audit
 - Validate the membership numbers
 - Ensures payments are properly made
 - Ensures that cash and council assets are handled properly
- All Trustees report the audit to the council
- A minimum of two (2) Trustees sign the audit -prefer all



Roles in the Audit

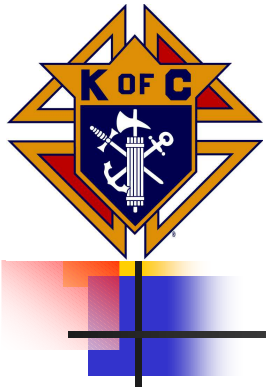
■ **Grand Knight**

- Ensures the audit is completed
- Participates in audit meeting
- Ensures the availability of the Financial Secretary and Treasurer
- Ensures the availability of all appropriate records needed
- Signs the audit



Records Needed for the Audit -FS Handbook C-2

- **From Financial Secretary**
 - Cash Receipts/Payments Register
 - Warrant Voucher Stubs, Receipts Treasurer to FS
 - Latest Council Roster, Council Statements, Copy of Last audit
 - Latest Council Member Ledger
 - Bills & Invoices requiring payment



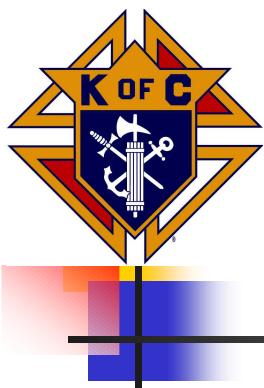
Records Needed for the Audit (Continued)

- **From Treasurer**

- Cash Book, Warrant Vouchers
- Checkbook, Other Bank Books, Bank Statements, Cancelled checks
- Stocks, Bonds, Notes, etc. if appropriate

- **From Secretary**

- Minute Book - Record of motions approved



Conducting The Audit: Section A



KNIGHTS OF COLUMBUS SEMIANNUAL COUNCIL AUDIT REPORT

FOR PERIOD ENDED DECEMBER 31, _____

Due By:
February 15

COUNCIL NO. _____ CITY _____ STATE _____

SCHEDULE A – MEMBERSHIP

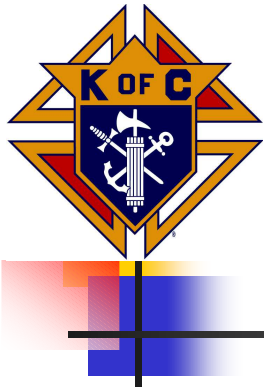
ADDITIONS	SCHEDULE A – MEMBERSHIP			DEDUCTIONS			
	INS.	ASSO.	TOT.		INS.	ASSO.	TOT.
Total Members Start of Period	_____	_____	_____	Suspensions	_____	_____	_____
Initiations	_____	_____	_____	Deaths	_____	_____	_____
Transfers from other councils	_____	_____	_____	Final Withdrawals	_____	_____	_____
Transfers -Assoc. to Ins.	_____	N/A	_____	Transfers -Assoc. to Insurance	N/A	_____	_____
Transfers- Ins. to Assoc.	N/A	_____	_____	Transfers-Ins. to Associate	_____	N/A	_____
Reinstatements & Re-admissions	_____	_____	_____	Transfers to Other Councils	_____	_____	_____
Total for Period	_____	_____	_____	Total Deductions	_____	_____	_____
Minus Total Deductions	_____	_____	_____				
Number Members End of Period	_____	_____	_____				

(For this form only, exclude inactive insurance members)



Section A - Audit Objectives

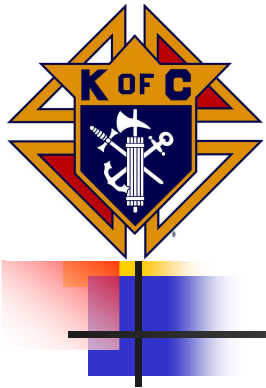
- Reconcile Local membership records
 - With Supreme Council
 - Accuracy of the changes
 - Completeness of the records
 - Honorary & Honorary Life designations
 - Family members, parish designations, etc.
 - Prepare Audit Report



Conducting The Audit: Section B

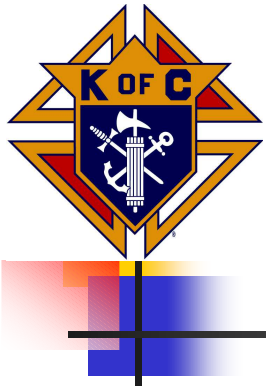
SCHEDULE B – CASH TRANSACTIONS

FINANCIAL SECRETARY		TREASURER	
Cash on Hand Beginning of Period	\$ _____	Cash on Hand Begin. Period	\$ _____
Cash Received-Dues, Initiations	\$ _____	Received from Fin. Sec.	\$ _____
Cash Received from other Sources:	\$ _____	Interest Eamed on Investments	\$ _____
(Explain Kind and Amount)		Total Receipts	\$ _____
_____ \$ _____		<u>Disbursements</u>	
_____ \$ _____		Per Capita: Supreme Council	\$ _____
_____ \$ _____	\$ _____	State Council	\$ _____
Total Cash Received	\$ _____	General Council Expenses	\$ _____
Paid to Treasurer	\$ _____	Transfers to Sav. & Invest. Accts.	\$ _____
Cash on Hand at End of Period	\$ _____	Miscellaneous	\$ _____
		Total Disbursements	\$ _____
		Net Balance on Hand	\$ _____



Section B - Audit Objectives

- Reconciliation of Cash Balance from **all accounts**
 - Bank statement to Cash Book
 - Cash Book to Cash Receipts register
- Authorization of Cash Transactions
 - Trace amounts to authorized supporting documents
 - Review appropriate signatures
 - Review authorization in budget or minute book
- Prepare audit report



Conducting The Audit: Section C

SCHEDULE C – ASSETS AND LIABILITIES

ASSETS		LIABILITIES	
Cash:		Due Supreme Council:	
Undeposited Funds	\$ _____	Per Capita	\$ _____
Bank - General - Acct.	\$ _____	Supplies	\$ _____
- Special Acct.	\$ _____	Catholic Adv.	\$ _____
- Savings & Investment Acct.	\$ _____	Other	\$ _____
Due From _____ Members	\$ _____	Due State Council,	\$ _____
Total ^{Number} Current Assets	\$ _____	Advance Payments By _____ Members	\$ _____
Less: Current Liabilities	\$ _____	Misc. Liabilities	
Net Current Assets	\$ _____	_____	\$ _____
Investments:		_____	\$ _____
*Real Estate	\$ _____	_____	\$ _____
*Furniture	\$ _____	_____	\$ _____
*Stocks & Bonds	\$ _____	Total Current Liabilities	\$ _____
Total Investment	\$ _____		
Less: Investment		Signed this _____ day of _____ 20 _____	
Liabilities	_____	_____	Grand Knight
Net Investment Assets	\$ _____	_____	Trustee
Total Assets	\$ _____	_____	Trustee
		_____	Trustee

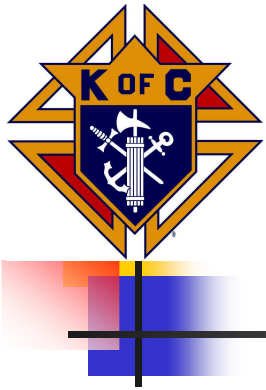
*Use reverse side to describe

Please complete all items. Enter zero where no figures are to be shown.

1295 6/2002

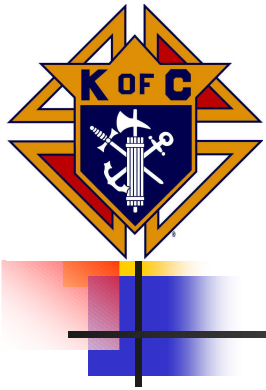
SUBMIT ORIGINAL TO: Council Accounts

SEND COPIES TO: State Deputy, District Deputy, Council File



Section C - Audit Objectives

- All Assets and Liabilities are properly recorded
 - Cash Assets come from Section B
 - Review member ledger for “due from or prepaid” amounts
 - Review bills and invoices for liabilities
 - Review minute book for purchase of investments & real estate
 - Determine current value of investments & real estate
- Prepare audit report



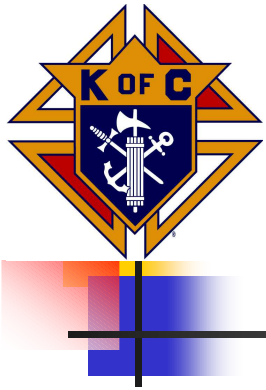
What's the Value?

- Section A
 - How is the membership tending?
 - Are we gaining or losing members?
 - Are members taking advantage of insurance?
 - Are we replacing the members we are losing to deaths?
 - What percentage of our losses are due to suspensions



What's the Value?

- Section B
 - Is the council living within its means?
 - Is cash being deposited properly and in a timely fashion?
 - Are there any arrearages that the council needs to address?



What's the Value?

- Section C
 - Is the council using savings to meet operating expenses?
 - Are the council's investments gaining or losing value?
 - Does the council have more liabilities than assets?
 - How many members are in arrears in dues?
 - Who has prepaid their dues?