

Tillamook County Master Gardener's Association Procedures

2.2

Subject: AUDIT COMMITTEE

Purpose: The audit committee's purpose is to conduct an independent review of financial records and render an opinion as to their fairness and reliability.

Task 1 President appoints an independent Audit Committee in January from the active members to review and report on the previous year's records. The Committee should be composed of individuals with some financial record-keeping experience. The Audit Committee's report is due at the March Chapter meeting.

Task 2 Audit Committee's purpose is to conduct an independent review of financial records, to render an opinion as to their fairness and reliability, and to determine whether generally accepted accounting principles, such as the following, have been adhered to:

- Are entries in accounting records based on objective evidence?
- Are financial reports issued periodically?
- Is all revenue recognized and reported?
- Are all costs allocated to assets or expenses?
- Are financial statements presented in a manner which provides clear understanding?
- Are financial statements and accounting records prepared in a consistent manner?
- Are expenses and liabilities recognized as soon as possible?
- Are assets and revenues recognized only when received?

Task 3 The treasurer shall provide the appropriate documents to the audit committee, including:

- Bills with their authorization slips
- A list of deposits with documentation. Documentation must also include the QuickBooks Check Register report with split transactions displayed.
- Bank statements
- The profit and loss statement for that period
- The yearly budget status for that period
- Check register pads and receipt books for the audit period

These documents should be bundled for each month.

Additionally, the treasurer should provide

- The starting and ending budgets
- Spreadsheets for the plant sale, the garden tour and the banquet
- The yearly report to the state treasure
- Any votes of the TCMGA Board that impact the audit process (e.g., the vote that the treasurer can approve reoccurring expenses)

Task 4 Audit Committee performs specific examination of organization's financial records, including:

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- Check receipts and payments to confirm adequacy of supporting information such as invoices, authorizations, etc.
- Verify above transactions with the checkbook.

- Confirm that the monthly bank statement for checking accounts, savings accounts, and investment accounts has been balanced each month.
- Compare balance sheet data with bank and brokerage statements.
- Confirm existence of a current budget and monitoring of that budget monthly.
- Review year-end Profit and Loss to confirm that it is in balance with the budget.
- Check that a copy of the budget for the year is included.
- Check that a copy of the Yearly Financial Report to the State Treasurer is included.
- Check that the financial reports for the following events are included:
 - Garden Tour (if held)
 - Plant Sale
 - Banquet
- Confirm that event reports are available to chair or project coordinators.
- Confirm that the treasurer is in possession of all important documents (copy of bylaws, policies and motions, Basis of 501C3, Yearly Budget, Yearly Financial Report to State Treasurer, copy of Insurance Policy, Articles of Association)
- Confirm that the Treasurer is conforming to Retention of Financial Documents requirements.

Task 5 The treasurer shall submit the following statement with the audit documents:

I confirm that I am conforming to the Retention of Financial Documents and that I have access to the TCMGA documents for the dates January 1, _____ to December 31, _____. I also confirm that I have access to a copy of the TCMGA Bylaws, Policies and Motions, a copy of the Insurance Policy, and the Articles of the Association.

Signed _____ Date _____
TCMGA Treasurer

Task 6 The treasurer shall respond in writing to each of the audit findings.

Task 7 The Audit Committee Report is submitted at the March meeting. The Executive Board votes to accept the Audit Committee's report, and it is entered in the Minutes of the meeting and filed with the permanent financial records along with the treasurer's written response.