



ANNUAL FINANCIAL CLUB REVIEW/AUDIT PROCEDURE DISTRICT 2-X1 of LIONS CLUB INTERNATIONAL

PURPOSE:

The purpose of the Annual Financial Review/Audit Procedure is to give the Club membership and the Lions Clubs International representatives assurances that the Lions Club has been operated in a manner consistent with the ideals of Lions Club International. It is intended that the audit can be performed by members of the Club without incurring an outside audit fee. The audit should be completed as soon as possible -- preferably before the first Club meeting of August of the new Club administration.

PROCEDURES:

The following is a recommended audit procedure to be performed by a representative group of members of the Lions Club:

1. The President appoints 3 members to be the Audit Committee.
 - a. One(1) being a Past President or Past Secretary and/or Treasurer.
 - b. Two(2) being active current Lion members, preferably ones who have some business experience.
2. The Audit Committee would arrange a meeting with the Club Secretary and/or Treasurer for the year under examination as soon as the books for the year have been closed within sixty days of June 30 year end. The Club Secretary and/or Treasurer should provide the Audit Committee with the following:
 - a. Copy of the Club's Budget and additions, if any, that were approved by the Club's Board of Directors for the year being examined.
 - b. Bank statements and canceled checks.
 - c. Bank Book check stubs or check register/worksheet and copy of bank reconciliations for each month.
 - d. Copy of Financial Statements as of the end of the year or summary of cash receipts and disbursements.
 - e. Paid bills file that contain receipts for all expenditures made during the year examined.
 - f. Summary of all receipts made during the year examined (see 2.j).
 - g. Copy of Lions Clubs International member and supply billings
 - h.. List of all uncollected member dues.
 - i. List of all unpaid bills and accompanying approval by the Club's Board of Directors and or President.
 - j. Club billing book/ledgers/worksheets, etc. and copy of Club member's dues invoices.



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3. The Audit Committee should perform the following audit procedures:
 - a. As to Financial Statements: Examine the financial statements for accuracy and be sure it totals and in balance.
 - b. As to Receipts: Review deposits to determine that all are supported by deposit slips/receipts and investigate the source of the funds to be sure they came from a proper person. Amounts reported from member's Club dues should be tested by reference to the membership of the Club's administrative or project/dues invoices. Other receipts should be supported by information to adequately explain from where they were received. There should not be any unexplained receipts.
 - c. As to Disbursements: Examine bank reconciliation for propriety and accuracy of each reconciling item. Bank Balance and adjusted book balance should agree. Test check at least three months of statements for two signatures and endorsements on each check and compare the check written to invoice paid. Determine by communication with the succeeding President or Club Secretary and/or Treasurer that the amount shown to be transferred to the new administration was the amount received by them. All checks should have two signatures of authorized signers.
 - d. After performing the functions outlined above and not finding any material discrepancies the Audit Committee should address a letter to the Club's Board of Directors setting forth that they examined the cash received and disbursed for the year under review and that they found the accompanying statement or summary of cash received and disbursed to be substantially correct. If discrepancies found that not correct, report all findings to the board of directors.