

Key Role – Auditor

- ✦ Audits the books and financial records of a PTA to determine their accuracy
- ✦ Presents written reports on audits to the board and the association for adoption
- ✦ Forwards copies of adopted audits to council/district PTA as indicated in unit bylaws

Getting Started

Preparation – To know more about your new position, review the auditor’s files and materials from last term. It’s also worthwhile to talk to the outgoing auditor to get advice and tips about your new role.

Soon after the election, meet with the incoming treasurer and financial secretary to discuss how you can work effectively together.

Talk about ways to organize the unit’s financial records and documents so they can be easily audited. Check your bylaws to see what months are identified for the required mid-year and fiscal year-end audits.

Take time to learn more about PTA policies, procedures and resources for managing finances and conducting an audit as outlined in the *California State PTA Toolkit*.

How Tos

The purpose of an audit is to verify that PTA funds are collected and spent as approved by the membership. That’s why, when doing an audit, your main duty is to:

- ✦ Determine the accuracy of a unit’s financial records
- ✦ Check that funds are handled in a business-like manner in line with PTA policies and procedures
- ✦ Make recommendations on best practices, noting inconsistencies or errors

This will help to assure members that your PTA resources and funds are managed responsibly.

As stated in your bylaws, an audit is performed by the auditor, appointed audit committee or paid professional hired by a unit.

PTA audits are done twice a year, as a mid-term audit and a year-end audit. They are also conducted when a financial officer or check signer is replaced, a bank account closed and whenever an audit is deemed necessary.

For an audit report, there are two California State PTA forms – *Audit Report* and *Audit Checklist* – to complete. Both forms are available online at: www.capta.org

Preparing For Audits – Getting ready for an audit is a cooperative effort among PTA board members. To make the process smoother, the auditor takes the lead to encourage everyone to put the unit’s records in good order.

All materials used to perform a PTA audit are listed on the *Audit Checklist* and include:

- ✦ Financial records, books and reports
- ✦ Meeting minutes
- ✦ Unit bylaws and standing rules
- ✦ State and federal government tax filings and report forms

For an upcoming audit, work closely with the board to identify a date to collect the required records. And, set aside enough time to finish the audit within two weeks. This helps ensure that an audit is done quickly and on time.

Performing Audits – Auditing is more than verifying addition and subtraction. It involves tracking all financial transactions through the records.

When working on an audit, use the *Audit Checklist* to confirm that:

- ✦ Receipts are properly accounted for
- ✦ Expenditures are made as authorized in minutes and within budget limitations
- ✦ Financial transactions conform to PTA bylaws, policies and procedures

In completing this form, check off items as you review the records. Keep a list of any inconsistencies or errors in the records as well as any documents that were not provided. That way, these items can be included as audit recommendations in your final report.

In addition, when conducting an audit, keep in mind that separate audits are done for each PTA bank account.

Reporting Audits – After an audit is done, you will prepare a written report for the board to review and adopt. This report includes the two forms, *Audit Report* and *Audit Checklist*, plus any audit recommendations to change financial procedures.

As a next step, present the report at an association meeting for adoption. When giving your oral report, simply read the statement on the *Audit Report* form about your findings and state that the audit recommendations are attached.

It is also important to remember that if an audit report has recommendations or raises questions, the president should appoint a committee to look into the issues and report back to the association.

Did you know? ... PTA Board Members:

- ✦ Adhere to PTA financial procedures as outlined in bylaws and State and National PTA guidelines
- ✦ Protect members' privacy by utilizing member information for PTA work only
- ✦ Attend PTA sponsored workshops or trainings
- ✦ Maintain a current procedure book to pass on to a successor
- ✦ Work together as a team to improve the lives of all children and their families

Other Useful Information**Resources:****California State PTA – www.capta.org**

- PTA Leaders tab and more
- *California State PTA Toolkit*
- *Running Your PTA Made Easy*
- *Insurance and Loss Prevention Guide* – Mailed annually to PTA presidents

Online Services:

- Tax Filing Support Center – To help units meet Federal and State reporting requirements
- PTAEZ – To handle PTA accounting needs and generate financial reports

National PTA – www.pta.org

- PTA Leaders tab and more
- E-Learning Workshops
- *Back-to-School Kit*

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