

American Legion Auxiliary Department of Colorado



Audit Training

Who has done an audit?



Why do we need audits?

ALA Requirement for Department Audit Committee

**To be Audit Committee
Member: Complete
Training**

**To be Chairman: Complete
Training and Skills
Assessment Test**

Components of an Audit:

- **Profit & Loss**
- **Balance Sheet**
- **Budget**
- **Meeting Minutes**
- **Source Documents**

Audit Review

- **Bank Statements**
- **Expenses**
- **Revenues**

First Steps

- **Define Period to be Audited**
- **Gather Materials**

Bank Statements

- **Why Reconcile?**
- **What if things don't match?**
- **Include Reconciliation in Report?**

Expenses

- **What Materials do you need?**
- **Why test only samples of expenses?**

Expenses

- **What kind of things do you look for?**
- **What if something is not as expected?**



• "I assume you have documentation to back up these 27 light-years of business travel."

Revenues

- **What Materials do you need?**
- **Why test only samples of expenses?**

Revenues

- **What kind of things do you look for?**
- **What if something is not as expected?**

Audit Report

- **Introduction**
- **Previous Year's
Comments/Recommendations**
- **Current Year's
Comments/Recommendations**
- **Closing Paragraph**

Introduction:

What is included?

Comments –

Recommendations

Previous Year – Why?

Comments – Recommendations

**Current Year – What is
included?**

Closing Paragraph

What should it include?

Appendix – Samples of

- **Reconciliation Worksheet**
- **Reconciliation Summary**
- **Transaction Worksheets**
- **Audit Report**

Summary

- **Define period to be audited**
- **Gather Materials**
- **Complete tests**
- **Write Report**



WHAT DO YOU **MEAN**, I CAN'T CLAIM CHOCOLATE AS A BUSINESS EXPENSE?!?



Questions