

Job Description for Auditor

Key Role – Auditor

- Audits the books and financial records of BCC to determine their accuracy
- Presents written reports on audits to the board and the Association

Getting Started

Preparation – 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 BCC’s financial records and documents so they can be easily audited.

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

How To

The purpose of an audit is to verify that BCC 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 BCC’s financial records
- Check that funds are handled in a business-like manner in line with BCC policies and procedures
- Make recommendations on best practices, noting inconsistencies or errors

This will help to assure members that your BCC 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 BCC.

An audit is performed by a committee, chaired by the auditor, or it may be conducted by a qualified accountant. Members of the audit committee are appointed by the executive board and ratified by the association. Please note that a BCC member who is a qualified accountant/bookkeeper may conduct an audit.

BCC 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 BCC forms – *Audit Report* and *Audit Checklist* – to complete. Both forms are available online at: www.caBCC.org

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

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

- Financial records, books and reports
- Meeting minutes
- BCC 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 BCC 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.

On the Audit Report, you will also verify that all necessary report forms required by California State BCC for insurance, tax returns and other government filings were completed and filed by the due date.

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