

Audit Procedures

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Audit Objectives

1. To ensure that cash-on-hand, including petty cash accounts, can be properly accounted for and adequately safeguarded.
2. To ensure that funds received are properly receipted, recorded, safeguarded and reported.
3. To ensure that disbursements can be properly accounted for and that supporting documentation exists.
4. To identify any deficiencies in generally accepted accounting procedures and recommend corrective action as necessary.

Audit Procedures

Audit Procedure	Complete (Auditor Initials):
1. Complete Internal Audit Checklist with Secretary/Bookkeeper	
2. Perform Compliance Tests:	
Compliance Test 1: Cash on Hand	
Compliance Test 2: Receipts	
Compliance Test 3: Disbursements	
Compliance Test 4: Journal Entries	
Compliance Test 5: Department Transfers	
Compliance Test 6: Bank Reconciliation	
3. Complete Audit Summary page, including recommendations	

Internal Audit Checklist

School: 0

	Bank Institution	Account Number	Signing Authority documentation viewed by Auditor	Who has online banking access?	Comments
1 Please list all School bank account and investment details.					
Audit Checklist	Yes	No	Comments		
2 Are school trust funds and petty cash under the overall supervision of the Principal of the school?					
3 Does the principal review and sign off on the monthly bank reconciliation package?					
4 How often are bank deposits made?					
5 How quickly are receipts issued in eFunds after funds are received?					
6 How are funds safeguarded when not in use? Are they locked when unattended? Who has access?					
7 Are any cheques pre-signed?					
8 How are post-dated cheques handled that are received?					
9 How are staledated cheques handled that the school issues?					
10 Are IOUs accepted? If yes, how are IOUs handled?					
11 How are outstanding student fees collected?					
12 Please provide an explanation for any "deficit balance" accounts / departments? (see table below)			<i>Enter explanations in table below</i>		
13 Are service payments paid from School Trust Funds (example: honorariums, class presentation)? If yes, are copies of payments submitted regularly to the Board Office for T4A tracking purposes? <i>Note: All service providers that do not have a CRA Business Number will be issued a T4A at year end for total payments of \$500 or more in a calendar year.</i>					
14 Are electronic copies of eFunds reports saved for the prior year? (GL detail listing, JE listing, receipt detail listing, receipt student detail listing, deposit detail listing, cheque register details with GL).					
Department Name	Department Number	Current Deficit Balance	Explanation		

Compliance Test 1: Cash on Hand

School:	0
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Instructions	Comments
1. In the Presence of the Secretary/Bookkeeper, count, record and verify all cash & cheques on the premises to un-deposited receipts.	
2. Reconcile the petty cash fund.	

In Your Opinion	Yes	No	Comments
1. Can funds received by the school be adequately account for?			
2. Are reported bank deposit and receipt figures correct?			

Petty Cash Reconciliation		
Coins		Amount
	0.05	-
	0.10	-
	0.25	-
	1.00	-
	2.00	-
Subtotal Coins:		\$ -

Cash on Site		
Coins		Amount
	0.05	-
	0.10	-
	0.25	-
	1.00	-
	2.00	-
Subtotal Coins:		\$ -

Bills		Amount
	5.00	-
	10.00	-
	20.00	-
	50.00	-
	100.00	-
Subtotal Bills:		\$ -

Bills		Amount
	5.00	-
	10.00	-
	20.00	-
	50.00	-
	100.00	-
Subtotal Bills:		\$ -

Cheques		Amount
		-
		-
		-
		-
		-
Subtotal Cheques:		\$ -
Total Cash + Cheques		\$ -

Cheques		Amount
		-
		-
		-
		-
		-
Subtotal Cheques:		\$ -
Total Cash + Cheques		\$ -
Total Receipts:		\$ -
Variance:		\$ -

Petty Cash Receipts		Amount
		-
		-
		-
		-
		-
Total Receipts		\$ -
Total Cash on Hand + Receipts		\$ -
Petty Cash Float		
Variance:		\$ -

Compliance Test 2: Receipts

School:	0
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Instructions	Comments
Describe the filing system in place for bank reconciliation packages. The following should be included: 1) Bank Reconciliation Report signed by the Principal, 2) Bank Statement with cleared cheque copies 3) GL Summary by Account type, Account, Department, 4) Outstanding cheque listing and deposit listing, 5) Journal Entry Listing, 6) Cleared cheques listing, 7) Cleared deposit listing.	
Describe the filing system in place for receipts and deposits (include descriptions for regular bank deposits, Bambora, and Clover deposits). Are First Data reports filed? Is the deposit details listing attached to all eFunds deposits?	
Describe how lump sum receipts are recorded (i.e. school fees and cafeteria receipts)	
1. Select a random sample of 20 receipts for testing.	
2. Trace receipts to bank deposit slips.	
3. Agree bank deposit to bank statement.	
4. Trace receipt to general ledger account.	
5. Scan documents for completeness, reasonableness & compliance with School Trust Account Handbook instructions, verifying sufficient back-up for all receipts.	
6. Are adequate descriptions entered on the books for receipts?	

Receipt Date	Receipt #	Total Amount Receipted	Customer name	Received From individual / organization recorded?	Received to a student?	If answered "No" to Col. E or Col. F is it receipted sufficiently? What is it for?	Revenue type per receipt	Is the correct revenue GL category being used?	If a lump sum receipt, does it agree to receipt back-up?	Adequate receipt description?	Deposit #	Deposit Date	Bank Deposit agreed to Bank Statement?	Account Code:	Comments
1															
2															
3															
4															
5															
6															
7															
8															
9															
#															
#															
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Compliance Test 3: Disbursements

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Instructions	Comments:
Describe the filing system in place for cheques issued, including void and stale dated cheques. A copy of the full cheque issued should be filed with PVP initialed support documentation attached.	
1. Select a random sample of 15 cheques plus all cheques over \$15,000 for the current fiscal year.	
2. Trace each entry to the cheque copy or void cheque, and to the bank statement.	
3. Trace each entry to original back-up (i.e. invoice) and scan for proper authorization, account distribution, correct pricing & extensions, and appropriateness.	
4. Review any cheques made payable to "cash" or to school employees, and note any irregularities.	
5. Are cheques cross-referenced to invoices paid?	
6. Are adequate descriptions entered on the books for disbursements?	

	Cheque Date	Cheque Number	Cheque Amount	GST amount per eFunds	Payee	Two Signatures? (1 must be PVP)	Date Cleared Bank	Agreed to bank statement?	Back-up Initialed?	Amount & Payee agrees to Back-up?	GST entered in eFunds agrees to back-up	Account Code:	Appropriate GL account used?	Comments:
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														

Compliance Test 4: Journal Entries

School:	0
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Instructions	Comments
Describe the filing system in place for journal entries. Are journal entries supported by documentation? Are journal entries filed separately and systematically?	
1. Select a random sample of 5 journal entries for testing.	
2. Vouch each entry to back-up documentation, and scan for reasonableness & compliance with School Trust Account Handbook instructions, verifying sufficient back-up for all journal entries.	

Journal Entry Number	Journal Entry Date	Journal Entry Amount	Journal entry credit account	Journal entry debit account	Description	Appropriate GL accounts used?	Adequate Description?	Cross Ref'd to Back-up documentation?	Journal entry listing included monthly bank rec package (signed by PVP)	Comments
1										
2										
3										
4										
5										

Compliance Test 5: Department Transfers

School:	0
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Instructions	Comments
Describe the filing system in place for department transfers.	
1. Select a random sample of 5 department transfers for testing.	
2. Vouch each transfer to back-up documentation, and scan for reasonableness, verifying sufficient back-up for all department transfers.	

Department Transfer Number	Department Transfer Date	Department Transfer Amount	Transfer From	Transfer To	Description	Adequate Description?	Cross Ref'd to Back-up documentation?	Back-up initiated?	Comments
1									
2									
3									
4									
5									

Compliance Test 6: Bank Reconciliation

School: 0

Instructions	Comments
1. Select a sample bank reconciliation for testing.	
2. Trace all cheques and deposits outstanding to subsequent bank statements. Vouch all items not cleared	
3. Agree reconciled balance to general ledger balance.	
4. Review for interest revenue. Is interest revenue recorded in a separate GL account?	
5. Check most recent bank statement/reconciliation for all bank and investment accounts. Confirm the balances reconcile to eFunds.	

Part 5: Bank	Account Description	Part 5: Bank / Investment Account	Adjusted bank statement balance from bank rec	eFunds GL account balance	Variance	Comments
					-	
					-	
					-	

Sample Month					
Description	Amounts per Bank Rec	Amounts per back-up	Variance	Back-up	
Bank Statement Balance			-	Bank Statement	
Reconciled GL Balance			-	Via GL Balance	
Outstanding cheques			-	O/S Cheque list	
Outstanding deposits			-	O/S Deposit list	
Adjustments*			-		

*review adjustments & agree to back-up

Outstanding Cheque Number	Cheque Date	Amount	Payee	Traced to Subsequent Bank Statement	2 Signatures	Date Cleared Bank	Outstanding Items Amount & Payee agrees to Back-up?	Comments

Outstanding Deposit Number	Deposit Date	Amount		Traced to Subsequent Bank Statement		Date of Bank Deposit	Outstanding Items Amount agrees to receipt back-up?	Comments