

BC/YUKON COMMAND THE ROYAL CANADIAN LEGION INTERNAL AUDIT CONTROL GUIDELINES

What do you need to start the audit process? Here is a list of items you will need to refer to.

You do not need to send these in to command, but you should keep these in a file in your branch.

- Copy of the budget
- Accounts Receivable listing that agrees to the financial statements
- Accounts Payable listing that agrees to the financial statements
- Inventory listing that agrees to the financial statements
- Prepaid Expense listing (including early bird per capita) that agrees to the financial statements
- Copy of working paper that shows the deferred per capita that agrees to the general ledger
- GST/HST Reconciliation– verification that the formulas were reviewed.
- A copy of invoices for capital asset purchases & a copy of the general meeting minutes approving the purchase
- A copy of any renovation expenditures that totalled over \$10,000 with a copy of the minutes approving the purchase, and a copy of the Branch Advisory approval.

Your branch reporting package to Command Must include the following, and be submitted by April 30th, 2022.

What do you need to send into the Command office? Here's a handy checklist for you:

- This document, including this checklist and the signed Committee certification.
- Bank statements for Dec 31st for General, Gaming & Poppy accounts.
- Bank reconciliations for Dec 31st for General, Gaming & Poppy accounts.
- Trial Balance for General, Gaming & Poppy.
- Income Statement for General, Gaming & Poppy as per the pro-forma format.
- Balance Sheet for General, Gaming & Poppy as per the pro-forma format.
- Copy of T4 Summary.
- T4 Summary to G/L Reconciliation
- Capital Asset Schedule
- Licensed Premise Gross Profit Schedule
- Detailed list of donations made from General Funds
- Detailed list of donations made from Gaming Funds

Questions? Please call Emily Yuan at BC/Yukon Command at (604) 575-8840
Or by email at emily.yuan@legionbcyukon.ca

BC/YUKON COMMAND THE ROYAL CANADIAN LEGION INTERNAL AUDIT CONTROL GUIDELINES

In preparing these IAC Guidelines, the Branch Advisory Committee had input from professional auditors and chartered accountants. The IAC Guidelines are not intended to fully comply with all of the standards and practices of the CICA Handbook. At our Branch Advisory workshops these last few years we have received numerous requests to provide some form of guidance to help members elect to Audit Committees, but who have no background or training in accounting procedures.

If your Branch has an internal Audit committee and they use the IAC Guidelines, we will be interested in receiving comments and suggestions on how the Guidelines can be improved.

Your Internal Audit committee must actually set eyes on the documents and processes noted in this process before they sign off on the audit as complete. They are responsible for seeing proof that it is done.

WHAT MAKES AN AUDIT COMMITTEE SUCCESSFUL

Normally it is comprised of three to five members. The general by-laws state that the audit committee need not be Chartered Accountants and may or may not be members of the Branch, but shall not be members of the executive committee for the current year or the year being audited. Branch employees may not sit on the audit committee. The general body can appoint the audit committee.

1. Accept and understand responsibility
 - a. Have financial backgrounds (not all members)
 - b. Ask penetrating questions
2. Hold meetings that are well planned
 - a. Meet as often as necessary to complete audit
 - b. Discuss planning and scope of audit
 - c. Discuss audit results
3. Have a Chairman who takes the position seriously
 - a. Coordinates activities with Executive Officer
4. Report to Annual General Meeting. Discuss audit report with the Executive before the general meeting.
5. Understand the importance of finance and accounting and the role of the internal auditor.
6. Expect high levels of performance from both the staff and Elected Officer responsible for finances.

INTERNAL CONTROL CHECKLIST

Instructions:

1. This control checklist is designed for use by an elected internal Audit Committee. It is designed to form the basis for transaction testing. It does not replace the need to verify at least a sample of underlying transactions.
2. The checklist is not intended to be used for the purpose of a detailed review of a complicated system of internal controls.
3. The objective of the checklist is to enable the elected Audit Committee to assess whether the Branch maintains at least minimum standards of internal control. The efficiency of the internal control in these situations depends largely on the extent of direct involvement by the Executive on the day-to-day management of the business. Therefore, it is essential to determine the Branch Executive's involvement in each major system. (see last question in each section.)
4. **NOTE THAT INTERNAL CONTROL FOR SMALL BRANCHES IS OFTEN WEAKER AND LESS RELIABLE THAN FOR LARGER BRANCHES. EXPANSION OF AUDIT PROCEDURES MAY BE NECESSARY.**
5. The Internal Audit Committee must be provided with all bank reconciliations for the year for all bank accounts. The internal audit committee will compare the monthly bank reconciliation to the monthly general ledger balance for the bank. The two amounts should be the same.
6. The internal audit committee should sample one cash float and test that it balances.
7. The internal audit committee will check that all furniture, equipment purchased - that they have seen the invoices and the minutes that approved all purchases.
8. The internal audit committee will review all payables. They will look at January and February of the New Year to be sure that any bills paid in these months but which belong to the previous year being audited are included in the accounts payable.
9. The internal audit committee must compare total gross wages to the T4's prepared. The internal audit committee must be given a T4 reconciliation and the payroll records and check that all wages have been t4'd.
10. The internal audit committee must check that the GST and PST is being charged on the correct items. Double check the formulas if it is done via Excel spreadsheets. Internal auditors have caught the mistakes in these calculations. If the mistake is done one month - it is easy for the mistake to be repeated as the formulas get copied.

Management Check List

The Check List is concerned essentially with basic issues of management and policies. The Management Check List is to aid by asking the type of questions that will jolt the Executive into the realization of the need for attention to broader issues.

These question which, based on knowledge of the Branch's weaknesses, are likely to have the greatest impact.

	Yes	No
1. Has the Branch established short term and long-range objectives?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Branch established Plans and Policies to achieve these objectives?	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the Branch adopt an annual budget?	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the Branch have the resources to meet current objectives?	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the Branch enable the Executive to foster a high level of performance, discipline and morale?	<input type="checkbox"/>	<input type="checkbox"/>
6. Are channels of communication adequate and are they recognized and used throughout the Branch?	<input type="checkbox"/>	<input type="checkbox"/>
7. Are your present finances adequate and have the sources of your future financial requirements been identified? (state briefly)	<input type="checkbox"/>	<input type="checkbox"/>
8. Does your accounting system provide for the control of actual revenue and expenditure by indicating the location, cause and responsibility for variations from the plan or budget?	<input type="checkbox"/>	<input type="checkbox"/>
9. Is there a competent bookkeeper on staff? Under Contract?	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the Branch use a computerized accounting system?	<input type="checkbox"/>	<input type="checkbox"/>
11. If so, is the staff knowledgeable in the operation of the computerized system?	<input type="checkbox"/>	<input type="checkbox"/>
12. If computerized, is a back-up copy kept up-dated and off-site? (frequency?)	<input type="checkbox"/>	<input type="checkbox"/>
13. How many members are on the Finance Committee?	_____	
a. how often does the Committee meet?	_____	
b. do the members of the Committee have financial or business experience?	<input type="checkbox"/>	<input type="checkbox"/>
c. does the Finance Committee review all of the accounts payable, liquor percentages, pull tab percentages, bank balances and other income expenses?	<input type="checkbox"/>	<input type="checkbox"/>
d. how often are these reviews done?	_____	
14. Does the Branch sell cigarettes	<input type="checkbox"/>	<input type="checkbox"/>
a. over the counter?	<input type="checkbox"/>	<input type="checkbox"/>
b. vending machines?	<input type="checkbox"/>	<input type="checkbox"/>
c. are proper controls in place?	<input type="checkbox"/>	<input type="checkbox"/>
d. what gross profit percentage are you achieving?	_____	
How effective were the Branch's internal financial controls last year?	_____	
15. Are you satisfied that your interim financial statements are informative and reliable?	<input type="checkbox"/>	<input type="checkbox"/>
16. Are the procedures and controls established by management actually in effect?	<input type="checkbox"/>	<input type="checkbox"/>
17. What improvements can be made in internal control? Are there any significant weaknesses in controlling operations?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
18. Is there too much or too little cash on hand? Why? How is surplus cash invested?	<input type="checkbox"/>	<input type="checkbox"/>
19. Does management have good control over receivables?	<input type="checkbox"/>	<input type="checkbox"/>
20. Are there any significant contingent liabilities not disclosed in the financial statements?	<input type="checkbox"/>	<input type="checkbox"/>
21. What is the Branch's line of credit?	\$ _____	
22. Is the Branch properly financed? Can you suggest any improvements for the future?	<input type="checkbox"/>	<input type="checkbox"/>
23. Are the Branch's debts at manageable levels?	<input type="checkbox"/>	<input type="checkbox"/>
24. Will the Branch be able to meet future requirements of debt without significant new borrowing?	<input type="checkbox"/>	<input type="checkbox"/>
25. Are funds regularly set aside to pay property taxes?	<input type="checkbox"/>	<input type="checkbox"/>
26. Are property taxes current for year audited?	<input type="checkbox"/>	<input type="checkbox"/>
27. Are we remitting all taxes and other source deductions promptly to the government? Has the Branch incurred penalties for late payments?	<input type="checkbox"/>	<input type="checkbox"/>
28. What percentage of last year's sales increases was caused by		
a. price increases?	_____	
b. volume increases?	_____	
c. new products?	_____	
29. How do gross margins compare with last year? Have any reductions been adequately explained?	<input type="checkbox"/>	<input type="checkbox"/>
30. Does Branch policy have a breakdown of each keg sold?	<input type="checkbox"/>	<input type="checkbox"/>
31. Are earnings subject to wide fluctuations? If so, what explanations are given, are they plausible in all circumstances?	<input type="checkbox"/>	<input type="checkbox"/>
32. How did the current year's results compare to original budget? Is the budget for next year realistic?	<input type="checkbox"/>	<input type="checkbox"/>
33. Does the Branch have adequate property and liability insurance and director's liability insurance?	<input type="checkbox"/>	<input type="checkbox"/>
34. Did you have any serious disagreements with management on accounting or reporting issues? How were they resolved?	<input type="checkbox"/>	<input type="checkbox"/>
35. Have you had complete access to all documents, books and records that you requested?	<input type="checkbox"/>	<input type="checkbox"/>
36. Were there any barriers to your performance of a full and complete audit?	<input type="checkbox"/>	<input type="checkbox"/>
37. (be specific)		
38. Were there any adjustments and/or recommendations from last year and were they acted on?	<input type="checkbox"/>	<input type="checkbox"/>
39. Do proper controls exist over receipts for and disbursements from the Poppy Fund?	<input type="checkbox"/>	<input type="checkbox"/>
40. Do all cheque signing accounts have the signatories as authorized in the Branch by-laws?	<input type="checkbox"/>	<input type="checkbox"/>
41. Are you going to issues a letter to management this year?	<input type="checkbox"/>	<input type="checkbox"/>
42. Who receives copies? What will be in this letter? _____		

Evaluation of Internal Control – Summary

Summarize major weaknesses in internal control, offsetting alternative strong control (such as direct involvement of Executives) and changes in normal audit programs (scope, timing, etc.) if no offsetting control exists.

The weaknesses noted below should be reviewed with the Executive and should form the basis of a management letter if this is required in the circumstances. A management Letter is to give guidance on where the controls can be improved.

System (Receipts, Disbursements, etc.)	Description of Weakness	Offsetting Controls	Audit Program Step(s) and related scope reflecting increase in procedures of change in timing

Prepared by: _____

Date: _____

Reviewed by: _____

Date: _____



Internal Control Questionnaire

Note: ALL NEGATIVE RESPONSES MUST BE SUPPLEMENTED WITH EXPLANATION AND SPECIFIC EXAMPLES

	Yes	No
Petty Cash		
1. Are petty cash funds independently counted and reconciled at least monthly?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are petty cash funds limited to a reasonable amount?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are adequate petty cash vouchers obtained for all disbursements?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is staff prohibited from:		
(a) cashing cheques through the licensed premises?	<input type="checkbox"/>	<input type="checkbox"/>
(b) advancing money to employees or ex-officials without prior authorization?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are blank cheques signed?	<input type="checkbox"/>	<input type="checkbox"/>
6. Are Branch by-laws observed with respect to maximum amount allowed in cash payments?	<input type="checkbox"/>	<input type="checkbox"/>
Cash Receipts		
1. Are all cash receipts deposited promptly?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is control maintained over cash sales and other counter receipts through cash register tapes, pre-numbered receipts or cash sales slips?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is control maintained over mail receipts by having:		
(a) mail opened by someone other than the person who prepares detailed record of receipts which is compared with the cash receipts record?	<input type="checkbox"/>	<input type="checkbox"/>
(b) a restrictive endorsement placed on all cheques when received?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are duplicate deposit slips authenticated by the bank and compared to the cash receipt records and bank statement?	<input type="checkbox"/>	<input type="checkbox"/>
5. Is control maintained over NSF cheques?	<input type="checkbox"/>	<input type="checkbox"/>
6. Is staff prevented from:		
(a) passing on cash discounts?	<input type="checkbox"/>	<input type="checkbox"/>
(b) cashing payroll or personal cheques from cash receipts?	<input type="checkbox"/>	<input type="checkbox"/>
Cash Disbursements		
1. Are all payments (except petty cash) made by cheque in accordance with the policy contained in the Branch by-laws?	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the Executive always obtain general meeting approval before authorizing non-budgetary expenditures?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are all cheques pre-numbered by the printer and numbers accounted for?	<input type="checkbox"/>	<input type="checkbox"/>

- | | Yes | No |
|---|--------------------------|--------------------------|
| 4. Are cheques completely filled out and accompanied by approved vouchers when presented for signature? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are two signatures required for all cheques? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are the signatories on all accounts as per the authority contained in the Branch by-laws? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Does the system prohibit the drawing of cheques payable to "cash"? | <input type="checkbox"/> | <input type="checkbox"/> |

Bank Reconciliation

- | | | |
|--|--------------------------|--------------------------|
| 1. Are reconciliations prepared within a reasonable time after the month end? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does the reconciler: | | |
| (a) account for the cheque number? | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) examine cheque as to amount, payee's name, signature, bank cancellation and endorsements? | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) trace and review all bank transfers? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are all bank accounts authorized by proper officials and in accordance with Branch by-laws? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. When new signatories take office are new bank authorization cards signed at the bank? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Does the Treasurer regularly review bank reconciliations? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. If the Treasurer prepares the bank reconciliations, does the President conduct the reviews? | <input type="checkbox"/> | <input type="checkbox"/> |

Accounts Receivable and Sales

Note: Receivables should be discouraged but where in existence:

- | | | |
|---|--------------------------|--------------------------|
| 1. Are accounts receivable reconciled monthly with general ledger control? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does the Treasurer approve of any write-off of NSF cheques or other bad debts? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is control maintained over accounts written off and bad debt recoveries? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Does the Treasurer review aged listings of any accounts receivable? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is there a cheque-cashing policy for members: If so, is the policy enforced? | <input type="checkbox"/> | <input type="checkbox"/> |

Term Deposit Receipts

- | | | |
|--|--------------------------|--------------------------|
| 1. Are term deposit receipts and any other securities: | | |
| (a) registered in the name of the Branch? | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) physically safeguarded? | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) periodically inspected? | <input type="checkbox"/> | <input type="checkbox"/> |

Fixed Assets

	Yes	No
1. Does the executive as authorized by the membership approve: -		
(a) capital expenditures?	<input type="checkbox"/>	<input type="checkbox"/>
(b) sale and scrapping of fixed assets?	<input type="checkbox"/>	<input type="checkbox"/>
(c) maintenance and repair of fixed assets?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is a detailed record of fixed assets maintained in support of general ledger accounts?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are all fixed assets appraised yearly to establish insurance values?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the Branch property registered in the name of Branch?	<input type="checkbox"/>	<input type="checkbox"/>

Accounts Payable and Purchases

1. Are totals of individual accounts payable or unpaid vouchers regularly: -		
(a) balanced with the general ledger control?	<input type="checkbox"/>	<input type="checkbox"/>
(b) reconciled with creditors' statements?	<input type="checkbox"/>	<input type="checkbox"/>
2. Do established procedures ensure that:		
(a) adjustments to accounts are authorized?	<input type="checkbox"/>	<input type="checkbox"/>
(b) debit balances are properly followed up to ensure recovery of any overpayment?	<input type="checkbox"/>	<input type="checkbox"/>
(c) accounts are paid within discount dates?	<input type="checkbox"/>	<input type="checkbox"/>
(d) credit is received for all purchases returned?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are all goods received supported by receiving slips?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are all invoices received:		
(a) checked against purchase orders and receiving slips?	<input type="checkbox"/>	<input type="checkbox"/>
(b) checked as to price, extensions and freight charges?	<input type="checkbox"/>	<input type="checkbox"/>
(c) cancelled at time of payment?	<input type="checkbox"/>	<input type="checkbox"/>
5. Is final approval for payment made by someone?	<input type="checkbox"/>	<input type="checkbox"/>
(a) who examined the attached vouchers for completeness?	<input type="checkbox"/>	<input type="checkbox"/>
(b) who approves proper distribution of charges?	<input type="checkbox"/>	<input type="checkbox"/>

Notes Payable and Long Term Debt

1. Is all borrowing properly authorized? (general meeting approval/section 121 general by-laws)	<input type="checkbox"/>	<input type="checkbox"/>
2. Has Branch Advisory prior written approval been obtained?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are paid notes properly receipted, cancelled, retained and filed?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
Payrolls		
1. Is all hiring, termination and change in wage and salary rates handled according to the Branch by-laws?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are payroll records kept in sufficient detail?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are payrolls subject to:		
(a) a complete check of clerical accuracy before final approval?	<input type="checkbox"/>	<input type="checkbox"/>
(b) final approval by the Secretary-Manager or Treasurer?	<input type="checkbox"/>	<input type="checkbox"/>
4. If employees are paid in cash:		
(a) are receipts obtained from all employees?	<input type="checkbox"/>	<input type="checkbox"/>
(b) are safeguards taken to prevent theft?	<input type="checkbox"/>	<input type="checkbox"/>
5. Is control maintained over:		
(a) unclaimed wages?	<input type="checkbox"/>	<input type="checkbox"/>
(b) old outstanding cheques?	<input type="checkbox"/>	<input type="checkbox"/>
(c) payroll advances and deductions?	<input type="checkbox"/>	<input type="checkbox"/>

If any problems are encountered with respect to audit of payroll the Command Accountant can assist in this duty.

General

1. Do you have paid employees?		
2. Are all employees bonded?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are they required to take annual vacations?	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the Branch use:		
(a) a chart of accounts?	<input type="checkbox"/>	<input type="checkbox"/>
(b) budgets for control of income and expenditures?	<input type="checkbox"/>	<input type="checkbox"/>
(c) cash budgets?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are the books of account:		
(a) adequate for all aspects of Branch operations?	<input type="checkbox"/>	<input type="checkbox"/>
(b) kept up-to-date and balanced at least monthly?	<input type="checkbox"/>	<input type="checkbox"/>
(c) kept in a safe place on the Branch premises?	<input type="checkbox"/>	<input type="checkbox"/>
6. Is a periodic review made as to the adequacy of all types of insurance?	<input type="checkbox"/>	<input type="checkbox"/>
7. Are monthly operating statements prepared in adequate detail?	<input type="checkbox"/>	<input type="checkbox"/>
8. Do the monthly statements follow the Command recommended format for Pro Forma statements?	<input type="checkbox"/>	<input type="checkbox"/>
9. Are copies of the statements circulated at general meetings?		
10. Are minutes adequately maintained for all meetings?	<input type="checkbox"/>	<input type="checkbox"/>
11. Does the President take a direct interest in the financial affairs and reports that are available?	<input type="checkbox"/>	<input type="checkbox"/>
12. Can you confirm that there have been no occurrences where legal advice we required?	<input type="checkbox"/>	<input type="checkbox"/>
Explain answer if no. _____		
13. Does the Branch sell pull-tabs?	<input type="checkbox"/>	<input type="checkbox"/>
14. Is the expected net profit of 12% achieved?	<input type="checkbox"/>	<input type="checkbox"/>

- | | Yes | No |
|--|--------------------------|--------------------------|
| 15. Are gross profits achieved in the indicated range on: | | |
| (a) liquor (70-75%) | % | _____ |
| (b) draft beer (60-65%) | % | _____ |
| (c) bottled beer (60-65%) | % | _____ |
| 16. Does the Branch have a licence for meat draws? | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Does the Branch have a licence for 50/50 draws? | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Is the minimum requirement of 25% expended on charity? | <input type="checkbox"/> | <input type="checkbox"/> |

Break Open Questionnaire

The Check List is concerned essentially with basic issues of how the Branch Executive and staff handle Breakopen Tickets. This Check List is to aid by asking the type of questions that will assist the Executive in tightening the internal controls applicable to Selling of Break Open tickets.

These question which, based on knowledge of the Branch's weaknesses, are likely to have the greatest impact.

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Are the Break Open tickets secured in a locked cabinet? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are the keys to the locked cabinet marked "Do Not Copy"? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Does the Branch use a Purchase Order when purchasing Breakopen tickets? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is each receipt of tickets checked against the purchase order? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. After the receiving routine is completed are the boxes of tickets sealed, the seal signed and dated by the person who received the tickets? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Is cash removed daily from the Breakopen ticket dispenser? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Is a complete inventory taken each month of all unsold Breakopen? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is a monthly breakopen sales and gross profit analysis prepared? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Does the breakopen gross profit percentage fit the range of 10 –13%? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Do the staff and volunteers involved in the tickets comply with the Lottery Retailer Code of Conduct? (See Appendix A) | <input type="checkbox"/> | <input type="checkbox"/> |

Cash Count Checklist

1. Consider all sources of cash that might be or should be on the Branch premises to ensure that the count includes all funds and that there are no opportunities for substitution.
2. Count petty cash and undeposited receipts in the presence of the senior employee (i.e. manager/bar steward)

Note:

- | | | | |
|---|--|--------------------------|--------------------------|
| (a) names, dates and descriptions on vouchers or cheques paid by the fund, should be noted, watching for stale dates, reused vouchers, IOU's, approvals | | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) senior employee should sign and date working paper "Petty cash fund of \$_____ were counted in my presence and returned to me intact" | | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) explanations of any differences should be obtained | | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) senior employee should review and approve any unusual vouchers or cheques | | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Ensure that the amounts were the amounts that should have been on hand by agreeing: | | | |
| (a) petty cash fund balances to general ledger | | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) particulars of last cash sale and cash receipt number to books of original entry | | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Follow up count by: | | | |
| (a) accompanying undeposited receipts to deposit in bank | | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) agreeing deposit to bank statement | | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) investigate any cheques subsequently dishonoured | | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. List any cheques prepared and not issued and note last unused cheque number (for possible reclassification as accounts payable rather than outstanding cheques.) | | <input type="checkbox"/> | <input type="checkbox"/> |

Physical Inventory Count Check List

	Yes	No
1. Review the inventory count instructions to ascertain if the instructions are complete so that:		
(a) an accurate physical inventory can be taken in quantities and recorded at cost	<input type="checkbox"/>	<input type="checkbox"/>
(b) due provision is made for control over movement of inventory	<input type="checkbox"/>	<input type="checkbox"/>
(c) inventory is tidily arranged	<input type="checkbox"/>	<input type="checkbox"/>
(d) intransit inventories are included (ensure that corresponding liabilities recorded)	<input type="checkbox"/>	<input type="checkbox"/>
2. How often is inventory taken on licensed premises products?	<input type="checkbox"/>	<input type="checkbox"/>
3. Can you confirm that no inventory was missing this year?	<input type="checkbox"/>	<input type="checkbox"/>
If no, how much?	\$ _____	
4. Observe the physical inventory count procedures and make test counts.	<input type="checkbox"/>	<input type="checkbox"/>
5. Control counts made from start to completion, using inventory count sheets. These sheets must be counted and verified by two individuals – not staff.	<input type="checkbox"/>	<input type="checkbox"/>
6. Prepared memorandum on adequacy of inventory taking procedure.	<input type="checkbox"/>	<input type="checkbox"/>
7. Is a perpetual inventory maintained:		
(a) in quantities and dollars?	<input type="checkbox"/>	<input type="checkbox"/>
(b) who records the inventory? (circle one)		
staff elected officers other (state whom) _____		
(c) and controlled through the general ledger?	<input type="checkbox"/>	<input type="checkbox"/>
8. If a perpetual inventory system is maintained: -		
(a) are all classes of inventory physically counted?	<input type="checkbox"/>	<input type="checkbox"/>
(b) how regularly (circle one) and by whom?	<input type="checkbox"/>	<input type="checkbox"/>
weekly monthly		
(a) are all adjustments approved by the Treasurer, or President where such adjustments are made by the Treasurer?	<input type="checkbox"/>	<input type="checkbox"/>
9. If a perpetual inventory system is not in use, is control maintained by: -		
(a) close supervision of the Treasurer or President?	<input type="checkbox"/>	<input type="checkbox"/>
(b) a physical count at least monthly?	<input type="checkbox"/>	<input type="checkbox"/>
By whom _____		
10. Are inventories adequately safeguarded?	<input type="checkbox"/>	<input type="checkbox"/>
11. Are periodic reviews made by the Treasurer or President as to slow moving and overstocked items?	<input type="checkbox"/>	<input type="checkbox"/>

EXPLANATORY NOTES

Explanatory notes are to be attached and form part of this questionnaire.

INTERNAL AUDIT CERTIFICATION

Note there are two types of Audit Certification – one if you have your Statements prepared by an external Accounting firm that provides a Review Engagement or a Notice to Reader. The second is if there was no external accounting and the financials were prepared in-house. Choose the right Audit Certification for your Branch.

**INTERNAL AUDIT CERTIFICATION
FOR BRANCHES WITH FINANCIAL STATEMENTS PREPARED BY EXTERNAL ACCOUNTANT(S)**

We the undersigned _____, appointed by the membership at the general meeting on _____ to conduct the annual internal audit of the Branch, do hereby attest and declare that we have completed the audit in accordance with these guidelines and that we have conducted sufficient tests of those INTERNAL ACCOUNTING CONTROLS which are susceptible to testing to satisfy ourselves that the financial statements for the period January 1, _____ to December 31, _____ present fairly and reasonably the financial position of the Branch.

To support the internal audit, we have conducted our working papers and Explanatory Notes will be attached to the financial statement for submission to BC/Yukon Command.

Place: _____

Date: _____

Internal Audit Committee Chairman

Committee Members

