

RESPONSIBILITIES OF AUDITORS

Audit role

The accounts must be audited annually at the financial year end, as an absolute minimum by at least 2 auditors. One auditor must be elected by the AGM and one must be nominated by the local Sponsor or Grade 7 or equivalent manager, or above, in Headquarters units, normally within the club Chair's line management chain. Alternatively, external auditors may be appointed from a commercial company to whom an audit fee would be payable by the club. Auditors should bear in mind that Club Officials are invariably volunteers working in their own time, and should aim to offer advice and support in a helpful and friendly spirit.

The auditors so appointed, if not from a commercial firm, should be experienced members of staff with the necessary knowledge of basic bookkeeping procedures and controls. NOTE: Auditors must clearly understand that they are responsible to the MEMBERS of the Club, not to the elected Officers of the Club or to Sponsors in this context.

Both auditors are equally responsible for the veracity of the Audit Certificate and should make every effort to undertake the audit jointly.

Timing of Audits

The Chair and Committee may decide that the number and amount of the Club's financial transactions are sufficient to warrant interim audits throughout the year at intervals of not more than 4 months. Reports should be sent to the Chair for presentation at Committee meetings.

Auditors are free to conduct audits at any time they see fit, without notice.

Responsibilities of Auditors

Members of the Department acting as auditors should clearly understand that their signatures on audit certificates are not merely a formality, but carry responsibility for properly verifying the accounts to which they relate.

Audit concerns

If, in the course of an audit, significant problems are identified (or suspected) and the auditor does not feel qualified to pursue the issue, advice should be sought immediately from the Chair, or regional or national HASSRA office.

Audit certificate

A certificate of audit is not merely a formal endorsement of accounts and the audit must never be carried out in a cursory way. Certificates will be of 2 types:

- Unqualified certificate. This will be issued if the Auditors are satisfied that the accounts are accurate and show a true and fair view of the Club's financial status at the time of audit.
- Qualified certificate. This will be issued if the Auditors are unable to satisfy themselves about a particular item or items, and this must be supported by a report to the Chair and members clearly stating the reasons why they are unable to issue an unqualified certificate.

Such a certificate is also frequently accompanied by recommendations on action necessary to rectify the problem identified to the satisfaction of the Auditors.

- Recommendations. If the auditors wish to recommend improvements in financial control etc, without qualifying the audit certificate, such recommendations must be in the form of an informal letter, and the Committee must decide whether to refer the matter to the members. The decision must be clearly documented in the Committee minutes.

Auditors reports will be sent to the Sponsor of the HASSRA Club. If, in the course of an audit, problems are identified or suspected, the Sponsor should be informed.

Auditors are jointly and severally responsible for the veracity of the Certificate and, where possible, should undertake the audit jointly. It is not acceptable for one person to undertake a complete audit.

Auditors must bear in mind the normally voluntary nature of the Treasurers job and should aim to offer advice in a helpful and friendly manner.

ORGANISATION OF AUDIT

A checklist should be prepared in advance, and each item should be initialled and dated as it is checked.

VERIFICATION OF BALANCES

Cash check

On the last day of the accounting period the Auditor must, together with the Treasurer, count cash held at the close of business and record it on the action sheet without reference to the cash book.

Bank Certificate

At the earliest opportunity the auditor must obtain a balance certificate from the bank(s) showing the balance at the close of business on the last day of the accounting period, i.e. one for each account.

Check against Cash Book

After the cashbook has been vouched it must be checked and balanced against the cash balance recorded on the checklist as described above.

The bank certificate must be checked and balanced with the cashbook, making due allowance for cheques issued not presented before the last day of the account period.