

Audit Policy - Draft

Purpose:

As an internal control measure, CSSF, Inc. institutes an annual review of the previous fiscal year's financial records by an internal sub-committee from the Board of Directors (BOD). The aim of this review is to ensure the accounting of CSSF, Inc.'s financial transactions are in order as well as resolve any discrepancies discovered during the review. On a periodic basis, the BOD also engages the services of a CPA to perform an external audit in order to certify that CSSF, Inc.'s financial records are in good standing to interested stakeholders of the fair.

Internal Audit Process:

The Internal Audit Committee shall consist of two board members other than officers appointed by the President of the board of directors at the September meeting. Although not mandatory, at least one committee member should have Quicken software to assist in the evaluation of financial records. Otherwise, the Executive Director shall provide printouts from Quicken in the year-end books. A written report that documents the accounts that were audited, findings for each of those accounts and the resolution of each finding is due by the November meeting for BOD approval. As most committee members are not located geographically close together, each member has a different role in the audit procedure.

Roles & Responsibilities:

Committee Member 1:

- Review the Quicken files for accuracy.
- Make sure all receipts and income checks are recorded properly.
- Reconcile the debts and deposits in account ledgers with the bank statements, looking for any unaccounted for expenses.
- Spot check all records and ledgers for consistency.

Committee Member 2:

- Spot check the debits and deposits with the bank statements, looking for any large, unusual or inappropriate expenses.
- Check the expenditure and deposit receipts with bank statements and account ledgers.
- Compare large expenses (\$100 or more) to the budget and to similar expenses in previous years if necessary.

External Audit Process:

At a minimum of every three years, not to exceed five years, the Treasurer of the CSSF, Inc., per the direction of the BOD, will engage the services of a CPA to perform an independent audit that is in accordance with auditing standards generally accepted in the United States of America.

The Treasurer will provide the CPA with any financial records needed to perform the audit and convey the CPA's findings and recommendations to the BOD. Per the outcomes of the audit, the Treasurer and Executive Director will work with the BOD to address any issues discovered during the audit. The Executive Director will maintain copies of the final audit and make them available to interested parties such as funding institutions or donors upon request.