

	District 27 B2 Policy		Number 5 Page 1 of 1 Revision 1 Revised By: DG Leadership Team/Cabinet
	Prepared by __Unknown__	Original Issue Date 1997-98	
	<b>District Audit</b>		Latest Revision Date 3/13/2016

**Purpose:** To review the previous year’s financial records to assure accuracy and compliance to standard accounting procedures.

- A. Each year, the outgoing District Governor shall appoint a 3-member audit committee selected from recent active Past District Governors and/or a past Cabinet Treasurer to audit the financial records of the District for the year then ending. Appointments to the Audit Committee shall be announced at the last Cabinet meeting of the year.
- B. In addition to the appointed audit committee, the audit meeting shall also include; the outgoing District Governor, the current District Governor, the outgoing Cabinet Treasurer and a Sturm Humanitarian Foundation representative. Vice District Governors will also be invited to the audit meeting as ex-officio members.
- C. The audit shall include District funds and all special accounts.
- D. Minimum procedure for audit:
  - a. Verify checkbook with financial institution statements
  - b. Randomly compare checks to invoices/receipts
  - c. Compare budget to actual financial reports
- E. Audit Report (see attached example) will at a minimum include:
  - a. Material variances to budget
  - b. Any recommendations for changes to the financial reporting procedures
  - c. Verified year-end balances
  - d. Audit report shall be filed and signed by auditors
- F. The audit committee shall conduct their audit in such a manner and at such a time to permit presentation of their report at the first Cabinet meeting of the new Lionistic year.
- G. If for any reason a District account is required to be audited by a financial professional with experience in auditing, the audit committee shall be relieved of responsibility for that account only and the professional report on that account shall be submitted instead of the audit committee report.
- H. A meal may be provided for the 3 members of the audit committee, the outgoing District Governor, the current District Governor, the outgoing Cabinet Treasurer, a Sturm Humanitarian Foundation representative and the Vice District Governors.