

AUDIT COMMITTEE

FUNCTION:

The Audit Committee shall determine whether financial activities completed during the fiscal year (July 1 through June 30) were in accordance with current guidelines established by the State Council and/or Lions Clubs International.

REFERENCES:

1. LA-4: LCI Standard District Constitution and By Laws
2. Procedure 630, District Dues

GENERAL:

1. This chairperson and committee members are appointed by the District Governor.
2. To effectively discharge this responsibility, the Audit Committee will serve as an independent committee and report to the District Cabinet of District 14-C Lions.
3. The Audit Committee shall consist of three (3) members in good standing from District 14-C. The composition of the Audit Committee will normally be one member from different counties that comprise District 14-C. Each year a new member in good standing will be appointed by the District Governor for a term of three years to succeed the member whose term will expire. All appointments shall be made in writing at the February meeting of the District 14-C Cabinet. The member serving in the final year of his/her appointment will serve as chairperson of the Audit Committee. If for any reason a member of the Audit Committee cannot effectively perform the duties required or if a position becomes vacant, the District Governor shall appoint a successor to serve the remaining term.
4. Individuals appointed to the Audit Committee shall possess adequate proficiency, expertise, and experience in the field of auditing or accounting. Preferably, a member of the committee should be a licensed certified public accountant or a licensed public accountant.

DUTIES:

1. The Audit Committee shall meet during the May-June time frame with the newly elected District Governor and his/her designated Cabinet Secretary/Treasurer to mutually:

A. Determine the accounting techniques to be employed and necessary internal controls to be established for collecting, recording, depositing, and disbursing of funds received by the District during the fiscal year.

B. Examine and review forms which will be required to report District financial information to the State and/or Federal Government.

C. Discuss other financial matters of common concern.

2. The District Secretary/Treasurer shall notify the Audit Committee Chairperson within fifteen (15) days of the close of the fiscal year that the District financial records are available for audit.

3. The District Secretary/Treasurer shall prepare and provide to the chairperson of the Audit Committee statements for receipts and disbursements relating to the Administrative Account and

AUDIT COMMITTEE

the Activities Account. The statements shall reflect a summary of all monies received and disbursed for the fiscal year within each account.

4. The Chairperson shall convene the Audit Committee within thirty (30) days of the close of the fiscal year to perform the audit. The District Secretary/Treasurer and the Past District Governor for the year under audit shall assist the Audit Committee with the audit.

5. The audit shall, at a minimum, examine:

A. The Administrative and Activities Accounts to verify total disbursements and total receipts are in agreement for each account.

B. Funds received by the District to ensure such funds were properly recorded in either the Administrative or Activities Account. The Administrative Account should be reviewed to ensure that receipts were provided from non-public sources, e.g. District share of State dues, District dues, pin sales, ticket sales for cabinet meetings or Rallies, and so forth and that disbursement from the Administrative Account were for normal expenses incurred in the running of the District. The Activities Account should be reviewed to ensure funds received by the District through club donations that were solicited from the public as well as interest earned on those donations were disbursed for only public use.

C. Selective transactions representative of operations for the period of review to determine if proper procedures were followed. This would include tracing selective transactions through supporting documentation for proper collection, recordation, deposit and/or disbursement.

D. Disbursements from the District Governor's Project Fund to ensure such disbursements were consistent with guidelines (percentages) approved by the District Cabinet for the annual budget.

E. Funds earmarked by the donating club for a specific project or organization were forwarded to that project or organization.

F. The District dues account was properly recorded and administered for all income and expenses.

6. At the conclusion of the audit, a written report of the Audit Committee's review shall be prepared and presented to the District Cabinet immediately following the International Convention.

7. The Audit Committee shall insure that the District Cabinet Secretary/Treasurer submits the IRS form 990 to the IRS in a timely manner.

Policy Change History:

- May 1, 2002
- February 17, 2008
- April 25, 2009
- February 18, 2017