

# HOW TO MANAGE YOUR WAY TO A CLEAN AUDIT

Finance/Legal/Audit Workshop

D-Train 2011

# WORKSHOP OVERVIEW

- The team
- The goal—revealing our audit secrets...to you
- The plan
  - Brief presentation
    - Requirements
    - Common pitfalls
  - Questions and Answers
    - The End

# Any Organization with Funds Needs:

- Books and Records
- Rules for Spending
- Responsible Person
- Controls

# Books and Records

- Check book
- Bank statements
- Budget
- Receipts
- Form 7025

# Rules for Spending

- AUXMAN—any authorized purpose
- Budget
- Resolutions at meetings
- Standing rules (emergencies)
- Check signing authority

# Responsible Person(s)

- AUXMAN—what it says?
- Unit Leaders are always responsible (CEO)
- FNs have line responsibility (CFO)
- Members spending in program areas

# Controls

- Budget, as amended
- Your internal procedures
- Unit audit committee
- District Audits

# District Audits

District-wide program

Goal—once every three years

Supportive review of your books and records

Corrective, but non-punitive



# Committee and Process

- DSO-FN
- Legal Representative
- Senior Leadership Representative (the  
been there, done that person)
- Request for records, submission,  
review, questions and final report

# Process

- Typically by Division
- Occasionally when otherwise necessary
- You deliver three (3) years of income and expense records, receipts, budgets, bank statements and 7025's
- AC goes over your records as a team
- AC clarifies issues
- AC suggests ways you can improve your process

# Your Budget

- Every unit needs an approved Budget
- Easily amended/supplemented
  - FC Discretionary—Standing Rules/Budget
  - Resolutions—reflect in your minutes
  - Keep contemporary records
- Get it from the old FN...

# Sample Budget

- Insert a simple budget example...

# Supporting Documents

- Bank statements
- Check registers
- Receipts
- Minutes/Resolutions
- 7025's

# Form 7025

DEPARTMENT OF TRANSPORTATION U.S. COAST GUARD ANSC 7025 (11-97)	UNITED STATES COAST GUARD AUXILIARY <b>FINANCIAL REPORT OF AN AUXILIARY UNIT</b>
REPORTING UNIT (NAME & NUMBER) _____	TYPE OF REPORT - CHECK ONE <input type="checkbox"/> REGULAR <input type="checkbox"/> RELIEF <input type="checkbox"/> CORRECTED
	TYPE OF UNIT - CHECK ONE <input type="checkbox"/> DISTRICT <input type="checkbox"/> DIV <input type="checkbox"/> FLOTTILLA
Do not enter real estate, equipment, inventory, or other property on this page. See reverse side.	
<b>1. BEGINNING BALANCE 1/1/ _____</b>	
a. Checking account \$ _____ b. Savings, CDs \$ _____ c. Trust Funds \$ _____ d. Other cash items \$ _____	
<b>2. Total Beginning Cash Items</b>	\$ _____
<b>3. CASH RECEIPTS</b>	
a. Dues \$ _____ b. PE course fees \$ _____ c. Cash contributions \$ _____ d. Uniform, flags, insignia \$ _____ e. Conferences, mtgs \$ _____ f. Other cash items, specify _____ \$ _____	
<b>4. Total Cash Receipts</b>	\$ _____
<b>5. Total Cash Items &amp; Receipts</b>	\$ _____
<b>6. CASH DISBURSEMENTS</b>	
a. Dues (Dist/Div) \$ _____ b. PE expenses \$ _____ c. Uniforms, flags, insignia \$ _____ d. Conferences, mtgs \$ _____ e. Material & equipment \$ _____ f. Building repair/maint \$ _____ g. Utilities \$ _____ h. Trophies, awards \$ _____ i. General disb. (specify) _____ \$ _____	
<b>7. Total Cash Disbursements</b>	\$ _____
<b>8. ENDING BALANCE 12/31/ _____</b>	
a. Checking account \$ _____ b. Savings, CDs \$ _____ c. Trust Funds \$ _____ d. Other cash items \$ _____	
<b>9. Total Cash Items at Year End</b>	\$ _____
I, the undersigned certify the above to be true and correct to the best of my knowledge and belief, and I accept responsibility for the same	
FN _____ PREPARER	FC/DC/DCO APPROVAL _____
FN _____ RELIEVING OFFICER	DCO/DC/PC RELIEVING OFFICER _____
_____ AUDIT COMM IF REQUIRED	_____ DIRECTOR

Previous editions are obsolete

# Form 7025 pg 2

Back of ANSC 7025 (11-97)

## UNIT INVENTORY RECORD

A. List date and description of real estate, equipment, inventory, Stocks and bonds, and other property purchased by the unit.

Description:	Date
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

Attach additional sheet if necessary.

B. List date and description of Real estate, equipment, inventory, Stocks and bonds, and other property donated or contributed to the unit.

Description:	Date
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

Attach additional sheet if necessary.

C. List name of lender and description of equipment and other property on loan to you from the Coast Guard or other Government entities.

Description:	Date
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

Attach additional sheets if necessary

I certify that the above listed property has been verified by me and is true and correct to the best of my knowledge. I, the relieving Officer accept responsibility for the Unit inventory as stated above.

FC/DCP/DCO \_\_\_\_\_ DATE \_\_\_\_\_ FC/DCP/DCO \_\_\_\_\_ DATE \_\_\_\_\_  
RELIEVING OFFICER

MA \_\_\_\_\_ DATE \_\_\_\_\_ MA \_\_\_\_\_ DATE \_\_\_\_\_  
RELIEVING OFFICER

Audit Comm \_\_\_\_\_ DATE \_\_\_\_\_ DIRAUX \_\_\_\_\_ DATE \_\_\_\_\_  
IF REQUIRED

Due March 1, or according to District Policy. Distribution DIRAUX via DSO-FN

# Common Pitfalls

- Missing budgets
- Missing bank statements
- Unreconciled accounts
- No authority for expenditures
- Missing receipts
- Lack of original receipts



# THE AUDIT...

- Three years of books and records
- 7025's
- Budgets
- Bank statements
- Original receipts
- Original receipts
- Original receipts...what kind of receipts?

# The Bottom Line

- Make a plan
- Have a budget
- Get approval where needed
- Keep good records
- Have fun and boat safely....

Thank you.

**Don't leave your unit finances hanging out there.**

