



# The Annual Division Audit

In accordance with Article IV, Section 2 of the Model Constitution, all Divisions must audit their Financial Records for an annual period beginning on April 1 and ending on March 31. The objectives of an audit are to:

1. confirm that all assets (i.e. cash, equipment, furniture) of the Division are properly protected and accounted for.
2. ensure that all funds owed to the Division are received by the Division; all funds disbursed by the Division were for proper and approved expenses; and that all financial transactions of the Division have been properly recorded.
3. determine if the budget adopted by the Division is properly adhered to; and the financial reports prepared by the Division accurately reflect its activities for the past fiscal year and its current fiscal condition.
4. to ensure that the Division membership is kept informed and aware of how Division funds are used and accounted for.

The audit is to be conducted by a committee of at least three Division members appointed by the council no later than April of each year. Only one member of this committee may be either currently serving as a steward or officer and/or have served as such during the audit period, although there is no requirement that they be part of the committee. A Division's Treasurer can never be a part of the Committee that performs this Audit. Although not a committee member, a treasurer will be available to answer any questions from the committee. The purpose of the rule of "only one steward or officer" is to provide a greater degree of independence and objectivity in the performance of the audit. A Division may not compensate the audit committee for its services, though expenses encountered by the members while performing the audit may be reimbursed.

In order to conduct this audit, the Division must provide the audit committee the following information:

1. copies of bank statements, canceled checks (if available), deposit slips, stop payment confirmation from the bank, and any other correspondence received from the bank.
2. copies of all Journal Register Reports, the Division checkbook, and all copies of bills and expense vouchers documenting the expenditures.
3. per capita payment reports.
4. the reconciliations of the account(s) from March 31 of the previous year through March 31 of the current year.
5. all correspondence pertaining to the Division's finances including meeting minutes.
6. a copy of prior year's Division Audit Report.

Before commencing the Audit, please note the following regulations regarding Division expenditures.

1. all checks should be signed by two authorized council officers.
2. no checks should be issued to cash.
3. no checks should be for political contributions or tickets to political fund-raisers.
4. no checks should be issued to refund dues or fees to the membership.
5. no checks should be made payable to members for honorariums, or stipends.
6. no checks should be issued for salaries, stipends or per diems.
7. no checks should be issued in double reimbursement of expenses billed to other entities of PEF.
8. no checks should be issued in payment of legal fees.
9. no checks should ever be signed by any authorized person unless the check is completely filled out. Blank checks should never be signed.

When reviewing the Division's quarterly Journal Register Reports and checkbook, **be careful to account for the numerical sequence of all checks.** Copies of all void checks should be kept with the bank reconciliation for the appropriate month for this purpose. Any checks that were reported lost or stolen by the payee should be evidenced by a confirmation of stop payment from the bank.

The following is an Audit report form, which is to be used and completed by the audit committee. It is designed to provide a comprehensive review of a Division's finances. You will note that the responses to all questions must be made. If a question is not applicable to your Division, this should be indicated in the space provided. A completed audit report must be submitted to the Divisions Finance Office by the date specified in the letter that was sent to your treasurer with this report. If this report is late, the deposit of your Division's quarterly funding will be suspended until the report is submitted. If this report is delinquent ninety days or more, your Division's quarterly funding will be penalized.

If this report is not filled out properly and completely, it will be returned for proper completion and treated as if it was not received.



# NYS Public Employees Federation Annual Report of Division Audit Committee

Division# \_\_\_\_\_ Division Name \_\_\_\_\_

Covering Fiscal Year \_\_\_\_\_

*In order to protect the confidentiality of the following, the information on this page only does not have to be shared with the membership.*

### **Division Operations:**

List all requested information on the current division council officers.

**Council Leader** \_\_\_\_\_

Email \_\_\_\_\_

Cell Phone \_\_\_\_\_

**Treasurer** \_\_\_\_\_

Email \_\_\_\_\_

Cell Phone \_\_\_\_\_

**Assistant Leader** \_\_\_\_\_

Email \_\_\_\_\_

Cell Phone \_\_\_\_\_

**Secretary** \_\_\_\_\_

Email \_\_\_\_\_

Cell Phone \_\_\_\_\_

### **Division Finances:**

List requested information on division bank accounts.  
*(Attach a list if additional space is needed.)*

Bank Name \_\_\_\_\_

Account # \_\_\_\_\_



# NYS Public Employees Federation Annual Report of Division Audit Committee

Division# \_\_\_\_\_ Division Name \_\_\_\_\_

Covering Fiscal Year \_\_\_\_\_

1. The questions below are related to the operating guidelines established by the PEF Executive Board and included in each Division Constitution. **Explain any questions answered no.**

A. Are minutes of the proceedings of each division and council meeting recorded and made available?

Yes  No

B. Have copies of all approved motions regarding division finance been furnished to the division treasurer?

Yes  No

2. In the space provided, add any additional comments, observations, or recommendations as they pertain to the operation of council or division meetings and the operation of the council or division as a whole within the guidelines and policies of PEF as defined in the division constitution, and the constitution and bylaws of PEF. (Attach additional sheets if necessary).

3. Have division journal reports been submitted to the Regional Coordinator for each quarter of the fiscal year just ended? If no, explain.

Yes  No

4. Have all monthly bank statements, for the fiscal year just ended been reconciled to division books and records by the division treasurer, and have any and all differences between the bank statements and division records been properly resolved and adjusted on the division books? If no, explain.

Yes  No

5. Does the Division own any equipment (office furniture, laptops, etc.)?

Yes  No

If no, skip question 6.

6. If you answered yes in question 5, is an equipment inventory record on file? If no, explain.

Yes  No

7. Has the division obtained funding other than the quarterly per capita provided by PEF Central (eg. fund-raisers, donations)? Please indicate the source.

Yes  No

8. Was a division budget adopted for the fiscal year just ended, as required? If not, explain.

Yes  No

9. Has a division budget been adopted for the current fiscal year and submitted to PEF Central as required? If not, explain.

Yes  No

10. Has an annual financial report of the division's operations for the fiscal year just ended been prepared by the division treasurer and been distributed to the division membership, as required? If not, explain.

Yes  No

11. Review the prior year's Audit Report. Have the recommendations in this report been adopted by the Division and have the conditions that prompted those recommendations been corrected? If not, explain.

Yes  No

12. Does the Division conduct events where a portion of the cost of admission to is paid to the Division by those attending the events? If yes, were these receipts deposited in the Division account and accounted for on the quarterly report?

Yes  No

13. Does the total in each expense category on your audit work sheet agree with the amount shown for each expense category on the annual financial report? If not, explain. Attach additional sheets if necessary.

Yes  No



# “Exhibit A”

Instructions for completing “Exhibit A” are located on page 9.

## PEF Division Audit Worksheet

Division# \_\_\_\_\_

\_\_\_\_\_ Name

Year Ended 03/31/ \_\_\_\_\_

A) Cash on Hand 04/01/ \_\_\_\_\_ Bank Name \_\_\_\_\_ \$ \_\_\_\_\_

B) Cash Receipts 04/01/ \_\_\_\_\_ to 03/31/ \_\_\_\_\_

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Per Caps	_____	_____	_____	_____	_____
Other Cash Receipts (Attach List)					_____
Total Cash Receipts \$					_____

C) Total Funds Available for Fiscal Year: Add (A) and (B) \$ \_\_\_\_\_

D) Cash Disbursements 04/01/ \_\_\_\_\_ to 03/31/ \_\_\_\_\_

Description	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Expenses	_____	_____	_____	_____	_____

E) Total Cash On Hand, Fiscal Year Ended 03/31/ \_\_\_\_\_ (C) less (D) \_\_\_\_\_

F) Cash on Hand 03/31/ \_\_\_\_\_ Bank Name \_\_\_\_\_ \$ \_\_\_\_\_

Total Cash on Hand (should be equal to (E) above) \$ \_\_\_\_\_

14. Does the total of each expense category (eg. total of all checks issued for postage) agree with the amount set for it in that year's adopted budget. If not, explain.

Yes  No

15. With each quarterly per capita, the Division receives a copy of the division membership list. Review these printouts, and in light of any recent layoffs or other program changes, determine if the trend in these figures shows an increase or decrease in membership. Increased division membership equals increased division funds. The trend in our division membership is:

Up  Stable  Down

The reason for this are:

**16. Division Equipment**

Each Division is required to have approved by majority vote of the council to purchase any equipment costing from \$100 to \$1,000. Any item costing \$1,000 or more requires a majority vote of a division quorum at a division meeting, after obtaining bids from at least three (3) other vendors. If approved, written notice must be given to the PEF Secretary-Treasurer prior purchasing the item.

Once obtained, each item is assigned a custodian and must be kept at a designated location. Bearing this in mind, obtain the equipment file from the division treasurer and inventory the items listed, noting whether or not each item listed is in custody of the individual indicated and that it is located where indicated. Are all items in good working condition and being used for division business?

In your review of the division equipment records, did you find them to be up to date and accurate? If not, explain.

Yes  No

**17. Audit Summary**

Has the audit of the division records found any indication that recommended policies and/or procedures are not being followed by the division? If yes, please explain below or on additional sheets of paper.

Yes  No

18. Has the audit of the Division records found and indication that the Division Membership and/or PEF Central are not being kept properly informed of the Division's financial activities? If yes, explain.

Yes  No

19. Has the previous year's audit report been presented to the membership (at a Division meeting, in a Division newsletter, or by other appropriate means) and has it been accepted by a majority vote of your Division's membership in attendance at a regularly scheduled Division membership meeting?

Yes  No

Date of meeting \_\_\_\_\_ If no, please explain below.

20. Please check the appropriate boxes below and submit copies of the documents listed with your report. Sign and date the report on the following page and forward to:

NYS Public Employees Federation  
Divisions Finance Office  
P.O. Box 12414  
Albany, New York 12212

- Completed audit form including Exhibit A
- Treasurer's annual financial report
- Division Budget with approved amendments
- Division equipment inventory sheet. Attachments (in none, make a note)
- Meeting minutes containing the names of the members who were elected and approved as part of the divisions audit committee

Print Name	Signature	Steward Officer Member (In this area please indicate you are a member, an officer, or a steward)	Date Signed
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

You have completed the audit of your Division. You are encouraged to make any suggestions or recommendations that you fell are relevant to either the operation or finances of the Division, or the improvement of the audit procedure. Minority opinions are welcome and should be addressed to the PEF Secretary-Treasurer, in care of the Divisions Finance Office at the above address.





# Instructions to Completing Exhibit A

First, the title area should be completed by indicating your division number, your division name, and year-end being audited.

**A. Section "A" Cash On Hand 4/1/** ... in this area you will need to do the following:

1. Enter Bank of America in the "Bank Name" area. Next to this enter the reconciled balance of this account as of March 31 of the previous year.

**B. Section "B" Cash Receipts** ... In this area you will need to do the following:

1. Enter the total per capita amounts that PEF issued your division during each quarterly period. Note that only per capita payments that were deposited in your division's account should be recorded in this area. Add these amounts together and enter your total in the "Total" column next to this information.

2. If your division received cash other than its per capita, it should list the sources and amounts on a separate sheet and attach it to this report. A total of the other funds received should be taken and recorded in the "Total" column of the "Other Cash Receipts" line. Check to see that all cash receipts were deposited within one or two business days of receipt. If your division did not receive funds from other sources, write none in this area.

3. Now add the amounts in the "Total" column of section "B" and record the answer in the "Total Cash Receipts" area.

**C. Section "C" Total Funds Available for Fiscal Year** ... In this area you will record the total obtained after adding the "Total Cash on Hand at Beginning of Fiscal Year" of section "A" to "Total Cash Receipts" area of section "B".

**D. Section "D" Cash Disbursements** ... In this area you will need to do the following:

1. Review and categorize the expenditures of each quarterly period recorded on the Journal Register Reports, according to the description from the annual report prepared by the treasurer. Keep in mind the following:

a. Each expenditure should be consistent with the budget adopted by the Division including any voted amendments evidenced in the minutes of the division and/or council meetings.

b. Each expenditure should be consistent with the guidelines established by PEF and the division constitution for allowable expenditures.

2. When all expenditures have been reviewed and properly allocated, total the categories for each quarterly period.

3. Record the various category titles in the "Description" column of Section "C". In the next four columns record the corresponding category totals under the appropriate quarterly reports.

4. Total each category line and record the amount in the "Total" column. Total the column for each quarterly period and record the amount on the last line of the column. Also, total the "Total" column and record the answer on the last line.

**E. Section "E" Total Cash On Hand** ... In this area you will record the total obtained after subtracting the total expenses, which is the amount recorded on the last line of the "Total" column in the "Total Expense" row of section "D", from the amount recorded in Section "C" in the "Total Funds Available For Fiscal Year" area.

**F. Section "F" Cash on Hand 3/31/** ... In this area you should do the following:

1. Enter Bank of America in the "Bank Name" area. Next to this enter the reconciled balance of this account as of March 31 of the current year.

2. Record your balance as of March 31 of the current year in the "Total Cash on Hand" area. Note that this amount should be the same as the amount recorded in Section "E".