

**American Legion Auxiliary
Department of Virginia**

**Audit Program
2021-2022**

An audit is a best practice that promotes sound financial management and accountability. An audit helps to instill confidence in the membership that your Unit is solvent. It is an objective examination and evaluation of the financial statements of an organization. All Units should have an audit committee.

The Audit committee focuses on risk management and compliance of the Unit's established policies and procedures. The committee reviews policies that are designed to mitigate threats to our organization and provides perspective in areas that could be potential risks, if not effectively identified and managed.

Benefits of an Audit:

- Ensure finances are being handled according to proper rules and procedures.
- An audit is a yearly checkup of an organization's financial health.
- Gives members confidence that the Unit's financial house is in order.
- Ensures transparency

Documents needed for an audit review include:

- Bank statements
- Reconciliations to bank statements
- Check register
- Documentation to support checks written
- Reimbursement requests and check requests, with back-up receipts/invoices
- Monthly financial reports published to members and organization leadership
- Approved minutes of meetings approving expenditures
- Any IRS filings (Filing of the 990 is important to the Unit's annual audit report)
- Established time-period to conduct the Unit audit.

AUDIT COMMITTEE

Chair: Sarah Elam, PDP

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