



Legion of Mary Philadelphia Senatus

Audit Guidelines for a Council (and Praesidium)

September 2018

The Legion Handbook requires the Treasurer's books be audited annually (Ch. 35, #8, p. 222). To facilitate the conduct of that annual audit and to ensure the integrity of Legion funds, the Senatus issues the following guidelines for Councils and Praesidia. These guidelines represent good business practice. In addition to the annual audit, an incoming treasurer should conduct a takeover audit to verify all monies are present and accounted for and records are up to date. Annual audits are conducted after the end of each calendar year (December 31). *The objectives of the annual audit are to ensure all funds are accounted for and all expenditures are made for valid Legion purposes.*

Treasurer's Records

The records maintained by the treasurer should consist of the following items:

1. A ledger (bound book or electronic) which contains entries in ink for all income and expenditures. Electronic records shall be printed monthly and kept in an official binder.
2. A bank statement for each month with a reconciliation done.
 - Income
3. Income ledger entries for all donations, cash and checks received and deposited.
4. Documentation of cash donations from Praesidia (may be on front of manila donation envelopes).
5. Bank deposit and withdrawal slips for all bank transactions.
6. A copy of sales slips for all religious supplies sold.
 - Expenses
7. A sales slip, invoice or bill for religious supplies bought and for Legion business expenditures.
8. Documentation of all donations made to Legion parent council, sub-councils or Praesidia.

Audit Procedures

As recommended by the Legion Handbook, the annual audit should be conducted by a member of the council other than the treasurer. The appearance of partiality should be considered. The procedure consists of checking all records for the entire year. The Treasurer should provide all records and the results of the previous audit to the auditor.

The following audits should be conducted:

1. Check income donation receipts against the ledger.
2. Check income supplies sales slips against the ledger.
3. Check ledger income with the bank deposit slips.
4. Check disbursements against expense sales slips, invoices and bills – follow the paper trail.
5. Check bank statement reconciliations – the balance should be the same as that on the Ledger for that date.
6. Check expenses for appropriateness to Legion business.
7. Especially concentrate on checks written to individuals and unknown companies.

Any discrepancies discovered should be noted and promptly corrected. The auditors will complete the attached report form, adding comments as necessary. *A copy of the report is to be provided to the Treasurer and to the next higher council and another copy filed.*

(Guidelines for Praesidia Treasurers and Auditors)

Noting that most, if not all, Praesidia operate on a strictly cash basis (without a bank checking account), the following guidelines should be followed.

Treasurer's Records

The records maintained by the treasurer should consist of the following items:

9. A ledger (bound book) which contains entries in ink for all income and expenditures. Keep a running account balance with dated entries. Balance should be checked monthly against cash on hand.
 - Income
10. Income ledger entries for all secret bag and other donations, with date and amount.
 - Expenses
11. Ledger entries for all expenses with a confirming sales slip, invoice or bill for religious supplies bought and for Legion business expenditures.
12. Ledger entries of all donations made to Curia, Comitium, Regia or Senatus.
13. Ledger entries of all donations made for use of facilities or for Mass stipends.

Audit Procedures

As recommended by the Legion Handbook, an annual audit should be conducted by a member other than the treasurer. The procedure consists of checking records for the entire year. The Treasurer should provide all records and cash balance.

The following audits should be conducted:

8. Check ledger for entries and completeness.
9. Check running balance for correctness.
10. Check ledger expenses against sales slips, invoices and bills.
11. Check expenses for appropriateness to Legion business.
12. Check ledger balance against cash on hand.

Any discrepancies discovered should be reported to the praesidium president and promptly corrected. Irreconcilable discrepancies shall be reported to the next higher Council. Completion of the annual audit shall be noted in Praesidium report to next higher council.