

APPENDIX A of WNIRNA RSC Guidelines

Washington Northern Idaho RSC Audit Procedures

(Approved, October 2014)

“NA funds are to be used to further our primary purpose, and must be managed responsibly.”
11th Concept of NA Service.

Experience has shown that regular and accurate financial audits are essential to managing NA funds responsibly. In the Washington Northern Idaho Region of NA, we have established the following audit procedures for our Regional Service Committee (RSC), Conventions & Events Subcommittee (C&E) and Convention Host Committees.

Section 1: Audit Frequency.

All RSC, Subcommittee and Host Committee financial audits are scheduled, coordinated and facilitated by the RSC Auditor. Typically, audits are held before, during breaks, or after RSC meetings and at annual recovery conventions. For example, the final Clean and Free Audit is traditionally held at WNIRCNA and RSC committee audits are often held when the RSC subcommittee meetings are happening during the RSC meeting break. However, the final decision of where and when to schedule audits is always made by the RSC Auditor.

Although this list represents the minimum number of scheduled audits, the RSC Administrative Committee, C&E Administrative Committee and Host Committee Administrative Committees shall promptly participate and cooperate with any additional audits requested by the RSC Auditor.

- a) RSC Committee Audit Schedule: two audits annually in January and July, typically during RSC weekend.
- b) C&E Subcommittee Audit Schedule: two audits annually in October and April, typically during RSC weekend.
- c) Clean and Free Host Committee Audits: three per event. The first audit is in July before the event, the second audit is in January before the event and the final audit is in May, after the event. The July and January audits are typically held during RSC weekend. The May audit is typically held at WNIRCNA.
- d) WNIRCNA Host Committee Audits: three per event. The first audit is in July before the event, the second audit is in January before the event and the final audit is in July, after the event. All audits are typically held during RSC weekend.
- e) PNWCNA Host Committee Audits: four per event. The first audit is in July (approximately 15 months) before the event, the second audit is in January before the event, the third audit is in July before the event and the final audit is in January, after the event. The July and January audits are typically held during RSC weekend.

Section 2: Audit Participants

Although attendance at audits is open to all interested NA members, participation is limited to the following trusted servants unless other members are requested to participate by the RSC Auditor:

- a) RSC Committee Audit: RSC Auditor, RSC Chair, RSC Treasurer Trainee, Two Regional Committee Members selected by RSC Auditor, RSC Treasurer (attending to answer questions but not to participate in audit tasks).
- b) C&E Subcommittee Audit: RSC Auditor, C&E Chair, C&E Vice-Chair, C&E Treasurer Trainee, RSC Admin Committee Member selected by RSC Auditor, C&E Treasurer (attending to answer questions but not to participate in audit tasks).
- c) Clean and Free Host Committee Audit: RSC Auditor, C&E Treasurer, C&E Treasurer in Training, Clean and Free Liaison, Clean and Free Assistant Liaison, Clean and Free Host Committee Treasurer (attending to answer questions but not to participate in audit tasks).
- d) WNIRCNA Host Committee Audit: RSC Auditor, C&E Treasurer, C&E Treasurer in Training, WNIRCNA Liaison, WNIRCNA Assistant Liaison, WNIRCNA Host Committee Treasurer (attending to answer questions but not to participate in audit tasks).
- e) PNWCNA Host Committee Audit: RSC Auditor, C&E Treasurer, C&E Treasurer in Training, PNWCNA Liaison, PNWCNA Assistant Liaison, PNWCNA Host Committee Treasurer (attending to answer questions but not to participate in audit tasks).

Section 3: Audit Procedures

Treasurers must keep in mind that they are responsible for all monies taken in and disbursed. It is their responsibility to have sufficient backup for each transaction as described in the audit procedures below.

- a) The Treasurer for the account being audited shall provide the following:
 - 1) Treasury Ledger (that is reconciled and in the Quicken format);
 - 2) Checkbook;
 - 3) Reconciled bank statements;
 - 4) RSC, subcommittee or host committee meeting minutes;
 - 5) Written reimbursement/funding requests with money motions;
 - 6) Copies of all signed contracts for which payments have been made;
 - 7) Receipt book;
 - 8) Deposit receipts.
- b) The RSC Auditor shall provide Bank statements with printed check images.
- c) Voided checks shall not be destroyed and must be present.
- d) All budget requests/ money motions (with back-up) should be filed in the chronological order of the ledger.
- e) Bank statements should be in order, or be in chronological order with all information such as receipts for checks written, and receipts for all deposits made.
- f) Meeting minutes must include all budget requests.
- g) All budget requests, deposits, or any transactions must have back up. Backup is defined as receipts for purchases and receipts for monies received.

- 1) All budget requests and/or money motions must have a receipt to accompany the request.
- 2) All deposits must have receipts from the recipient of the monies turned in.
- h) All audits are performed in sequential order and are derived from the bank statements, line by line, and all money transfers are verified sent and received by the other account bank statement.
 - 1) Every check written is matched up with the budget request with receipts or monthly bills.
 - 2) Every deposit must be supported with a receipt from every donation or monies turned in.
 - 3) The Quicken checkbook register is used to organize the bank statement and match it up with all budget requests and deposits.
- i) Usually the RSC Auditor will take notes of all procedural errors and anomalies. Experience has shown that it works well for one person to review the Ledger/checkbook, another to verify the bank statements, another to verify the budget requests with receipts, another to verify receipts for deposits in concert, and the RSC Auditor to take notes for anomalies or procedural errors.
- j) An anomaly for the purposes of the audit, is an irregularity, a breakdown or malfunction; a problem to be addressed and might indicate that we haven't identified the reason for the variance. Example: when you cannot reconcile the check register to the bank statement and the dollar amount of the difference is known but we don't know why or when a deposit in checkbook register does not match the bank statement deposit.
- k) A procedural error for the purposes of the audit, is something that goes against documented procedure; a break from routine. Example: we didn't get two signatures on a check or signed our own check, or when a budget request is approved but not noted in the minutes or a budget request is not supported by a receipt of purchases.
- l) All accounting books (both hard copy and/or electronic), copy of checkbook register, budget requests w/receipts, bank statements w/cancelled checks (if provided), meeting minutes, and anything else pertaining to the treasury are turned over to the FSA Auditor at the conclusion of the Final Audit. All these materials are to be archived.

Section 4: Audit Reporting

Within two weeks of an audit, the RSC Auditor will complete the approved WNIR Committee Audit Report Form and submit a copy, along with any other information the RSC Auditor believes the RSC or service committee audited should receive, and submit it as follows:

- a) RSC Committee Audit: Submit within two weeks via email to all members of the RSC Administrative Committee. A copy of the WNIR Committee Audit Report Form will also be submitted as part of the RSC Auditor's report to the RSC Committee meeting following the RSC audit.
- b) C&E Subcommittee Audit: Submit within two weeks via email to all members of the RSC Administrative Committee and all members of the C&E Administrative

Committee. A copy of the WNIR Committee Audit Report Form will also be submitted as part of the RSC Auditor's report to the RSC and as part of the RSC Auditor's report to the C&E Subcommittee at their regular service committee meeting following the C&E audit.

- c) Clean and Free Host Committee Audits: Submit within two weeks via email to all members of the RSC Administrative Committee, all members of the C&E Administrative Committee, Clean and Free Treasurer, Clean and Free Liaison and Clean and Free Assistant Liaison. WNIR Committee Audit Report Form will also be submitted as part of the RSC Auditor's report to the RSC and as part of the RSC Auditor's report to the C&E Subcommittee at their regular service committee meeting following the Clean and Free Host Committee audit.
- d) WNIRCNA Committee Audits: Submit within two weeks via email to all members of the C&E Administrative Committee, WNIRCNA Treasurer, WNIRCNA Liaison and WNIRCNA Assistant Liaison. WNIR Committee Audit Report Form will also be submitted as part of the RSC Auditor's report to the RSC and as part of the RSC Auditor's report to the C&E Subcommittee at their regular service committee meeting following the WNIRCNA Host Committee audit.
- e) PNWCNA Committee Audits: Submit within two weeks via email to all members of the RSC Administrative Committee, all members of the C&E Administrative Committee, PNWCNA Treasurer, PNWCNA A Liaison and PNWCNA Assistant Liaison. WNIR Committee Audit Report Form will also be submitted as part of the RSC Auditor's report to the RSC and as part of the RSC Auditor's report to the C&E Subcommittee at their regular service committee meeting following the PNWCNA Host Committee audits.