

ELKS



## **Guidelines for Internal Review**

**Please make available to Internal Review  
Committee and retain for future use.**

## **Guidelines for Internal Review**

### **General**

**The internal review process must be carried out by 2 or more people who do not have any financial positions in the Lodge, such as the Treasurer, Secretary, Bingo Chairman, etc. or any person employed by the Lodge.**

- 1) Objective enough to accept this job (appointment).
- 2) Does Lodge have By-Laws to govern financial affairs?
  - Obtain a copy & review.
- 3) Obtain a copy of the Lodge's Year-end Financial Report as required by Lodge Regulations, Section 5.4 (Page 77) of the Constitution (including the budget, if prepared).
- 4) Obtain all accounting records required to perform the internal review, such as:
  - 1) Cheque Book(s)
  - 2) Cheque Register/Synoptic/Disbursement Journal
  - 3) Bank Statements with cancelled cheques
  - 4) Supporting documentation for expenditures (e.g. Receipts, invoices, statements or vouchers).
  - 5) Receipt books and/or cash receipt journal/synoptic/ledger
  - 6) Deposit book/deposit slips
  - 7) Bank Reconciliation (if prepared)
  - 8) Inventory list of Lodge assets
  - 9) General Ledger (if prepared)
  - 10) Bank Signing authorization form(s)
  - 11) Insurance Policies
  - 12) Minute Book(s)
  - 13) Licensed lottery reports (if applicable)
  - 14) Investment certificates
  - 15) Petty cash reconciliation (if used)
- 5) Review insurance policies to ensure adequate coverages are in place for:
  - a) Property
  - b) Liability
  - c) Bond
- 6) Review minutes of meetings and select several large and/or extraordinary financial transactions that have been approved and trace to accounting records to ensure proper recording of receipts and disbursements.
- 7) Review lottery reports (if applicable) for large or unusual discrepancies or shortages, and follow up with the appropriate persons/committees.

- 8) Review the Petty Cash Records (if used) and trace to accounting records.
- 9) Review Inventory list to ensure it is accurate and current.
- 10) Prepare a report to the Lodge for any actions or improvements the committee feels should be attended to by the Lodge. This report should be presented to the Lodge then presenting the annual financial statements.

### **Bank (for each account)**

- 1) Review the bank reconciliation if available, or complete the bank reconciliation if one is not already prepared.
- 2) Agree the figures on the bank reconciliation to the bank statement and the General Ledger/Cheque Book/Synoptic Journal, as applicable.
- 3) Clear all outstanding cheques, deposits and reconciling items on the bank reconciliation to the subsequent month's bank statement and follow up any uncleared items with the Treasurer.
- 4) Investigate any old (stale dated) outstanding cheques and recommend either reissue or cancellation by Treasurer.
- 5) Select a sample (e.g. 1 month, 20 cheques) of cancelled cheques and examine for proper authorized signatures as per Bank Signing Authorization forms.
- 6) Review all Investment Certificates and agree the amounts to the accounting records.
- 7) Enquire if there are any bank loans and ensure that they are recorded properly in the accounting records.

### **Receipts & Revenues**

- 1) Select a sample of deposit slips and trace to bank statements and then to the accounting records.
- 2) Select a different sample of deposits from the bank statement and trace them to the deposit slips and then to the accounting records.
- 3) If a cash receipts journal or ledger is used, ensure that it is in balance.
- 4) Compare actual revenues to budget and prior year actuals and follow up with Treasurer/Committee Chairman on any large variances.
- 5) Select a sample of receipts (if used) and trace to deposit slips (combine with step #1 if desired).

- 6) Select a different sample of deposit slips and trace to receipts (if used).  
(Combine with step #1 if desired)
- 7) Enquire if there are any large accounts receivable/unrecorded revenues that should be recorded.
- 8) Trace totals in general ledger, synoptic, etc. to financial statements to ensure statements reflect transactions from accounting records.

### **Disbursements & Expenses**

- 1) Select a sample of cancelled cheques and trace to the accounting records and to the supporting documentation/vouchers. Examine the cancelled cheques for:
  - a) Authorized signatures.
  - b) Cheque number, date, payee and amount and agree to entry in the accounting records.
  - c) Irregular endorsements on back of cheque (i.e. different than the payee on front of the cheque).
  - d) Any alterations.
- 2) Select a sample of vouchers/supporting documentation and trace to the accounting records and cancelled cheques.
- 3) If a cash disbursements journal or ledger is used, ensure that it is in balance.
- 4) Compare actual expenditures to budget and prior year actuals and follow up with Treasurer/Committee Chairman on any large variances.
- 5) Enquire if there are any large accounts payable/unrecorded expenses that should be recorded.
- 6) Enquire if pre-signed cheques are used and verify if there is a policy in place for same.
- 7) Trace totals in general ledger, synoptic, etc. to financial statements to ensure statements reflect transactions from accounting records.

**SAMPLE ELKS LODGE NO. 700**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

**INTERNAL REVIEW REPORT**

TO THE MEMBERS  
SAMPLE ELKS LODGE NO. 700

We have reviewed the Statements of Income and Expense for the Bingo Account and the Lodge General Account \* of Sample Elks Lodge No. 900 for the year ended December 31, 1997.

We conducted our review in accordance with the guidelines for Internal Review as approved by the Grand Executive.

Based on our review, in our opinion these financial statements present fairly, in all material respects, the financial position of the Lodge as at December 31, 1997 and the results of its operations for the year then ended.

\_\_\_\_\_  
Date

Brother \_\_\_\_\_ (Signature)

Brother \_\_\_\_\_ (Signature)

SAMPLE ELKS LODGE NO. 700

STATEMENT OF INCOME AND EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 1997

BINGO ACCOUNT

Bank balance January 1, 1997		\$1,000.00
<u>INCOME</u>		
Bingo	20,000.00	
Interest	<u>100.00</u>	20,100.00
<u>EXPENSES</u>		
Bingo prizes	12,000.00	
Wages	500.00	
License fees	300.00	
Bingo paper	1,500.00	
Advertising	100.00	
Local donations	2,000.00	
Elks/RP Fund for Children	2,000.00	
Other donations	<u>1,500.00</u>	<u>(19,900.00)</u>
Bank balance December 31, 1997		<u><u>\$1,200.00</u></u>

SAMPLE ELKS LODGE NO. 700

STATEMENT OF INCOME AND EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 1997

LODGE GENERAL ACCOUNT

Bank balance January 1, 1997 \$15,000.00

INCOME

Lodge dues	1,500.00	
Bar sales	1,000.00	
Elks/RP Fund for Children collections	150.00	
Regalia sales	125.00	
Interest	750.00	
Dances & socials	2,000.00	
Curling bonspiel	300.00	
Fundraising	5,000.00	
Hall rentals	<u>4,000.00</u>	14,825.00

EXPENSES

Curling bonspiel	400.00	
Prov. Association fees	250.00	
National membership fees	1,000.00	
Postage	50.00	
Elks & Royal Purple Fund for Children	1,000.00	
Advertising	250.00	
Bank charges	150.00	
Bar expenses	750.00	
Conference & convention expenses	500.00	
Bonding	75.00	
Hall expenses	2,000.00	
Donations	<u>7,000.00</u>	<u>(13,425.00)</u>

Bank balance December 31, 1997 \$16,400.00

Bank balance consists of:

Current operating account	3,400.00
Savings account	3,000.00
Term deposit, due June, 1998	<u>10,000.00</u>
	<u><u>\$16,400.00</u></u>

**SAMPLE ELKS LODGE NO. 800**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

**INTERNAL REVIEW REPORT**

TO THE MEMBERS  
SAMPLE ELKS LODGE NO. 800

We have reviewed the Statements of Financial Position of Sample Elks Lodge No. 800 as at December 31, 1997 and the Statements of Income and Expense for the Bingo Account and the Lodge General Account \* of Sample Elks Lodge No. 900 for the year then ended.

We conducted our review in accordance with the guidelines for Internal Review as approved by the Grand Executive.

Based on our review, in our opinion these financial statements present fairly, in all material respects, the financial position of the Lodge as at December 31, 1997 and the results of its operations for the year then ended.

\_\_\_\_\_  
Date

Brother \_\_\_\_\_ (Signature)

Brother \_\_\_\_\_ (Signature)

\* (Or just say "... the attached Financial Statements of ... ")



# SAMPLE ELKS LODGE NO. 800

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 1997

### ASSETS

Bingo account	\$1,200.00
Current operating account	3,400.00
Saving s account	3,000.00
Term deposit, due June, 1998	10,000.00
Total Assets	<u>\$17,600.00</u>

### LIABILITIES

Bank loan	\$2,000.00
Accounts payable	600.00
	<u>2,600.00</u>

### ACCUMULATED SURPLUS

Balance, beginning of year	13,400.00
Surplus for the year	
Bingo Account	200.00
Lodge general account	<u>1,400.00</u>
	<u>15,000.00</u>
Total Liabilities and Surplus	<u>\$17,600.00</u>

SAMPLE ELKS LODGE NO. 800

STATEMENT OF INCOME AND EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 1997

BINGO ACCOUNT

INCOME

Bingo	\$20,000.00
Interest	100.00
Total income	<u>20,100.00</u>

EXPENSES

Bingo prizes	12,000.00
Wages	500.00
License fees	300.00
Bingo paper	1,500.00
Advertising	100.00
Local donations	2,000.00
Elks/RP Fund for Children donations	2,000.00
Other donations	<u>1,500.00</u>
Total Expenses	<u>19,900.00</u>
Surplus (Deficit) For The Year	<u><u>\$200.00</u></u>

SAMPLE ELKS LODGE NO. 800

STATEMENT OF INCOME AND EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 1997

LODGE GENERAL ACCOUNT

INCOME

Lodge dues	\$1,500.00
Bar sales	1,000.00
Elks/RP Fund for Children collections	150.00
Regalia sales	125.00
Interest	750.00
Dances & socials	2,000.00
Curling bonspiel	300.00
Fundraising	5,000.00
Hall rentals	4,000.00

Total Income	<u>14,825.00</u>
--------------	------------------

EXPENSES

Curling bonspiel	400.00
Prov. Association fees	250.00
National membership fees	1,000.00
Postage	50.00
Elks & Royal Purple Fund for Children	1,000.00
Advertising	250.00
Bank charges	150.00
Bar expenses	750.00
Conference & convention expenses	500.00
Bonding	75.00
Hall expenses	2,000.00
Donations	7,000.00

Total Expenses	<u>13,425.00</u>
----------------	------------------

Surplus (Deficit) For The Year	<u><u>\$1,400.00</u></u>
--------------------------------	--------------------------

# SAMPLE ELKS LODGE NO. 900

## FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 1997

<u>INCOME</u>		<u>EXPENSES</u>	
<u>Bingo Account</u>		<u>Bingo Account</u>	
Bingo	\$20,000.00	Bingo prizes	12,000.00
Interest	<u>100.00</u>	Wages	500.00
	20,100.00	License fees	300.00
		Bingo paper	1,500.00
		Advertising	100.00
		Local donations	2,000.00
<u>Lodge General Account</u>			
Lodge dues	\$1,500.00	Fund for Children donations	2,000.00
Bar		Other donations	<u>1,500.00</u>
sales	1,000.00		19,900.00
Fund for Children	150.00		
Regalia sales	125.00		
Interest	750.00		
Dances & socials	2,000.00	<u>Lodge General Account</u>	
Curling bonspiel	300.00	Curling bonspiel	400.00
Fundraising	5,000.00	Prov. Association fees	250.00
Hall rentals	<u>4,000.00</u>	National membership fees	1,000.00
	14,825.00	Postage	50.00
		Fund for Children	1,000.00
		Advertising	250.00
		Bank charges	150.00
		Bar expenses	750.00
		Conference/convention expenses	500.00
		Bonding	75.00
		Hall expenses	2,000.00
		Donations	<u>7,000.00</u>
			\$13,425.00
<u>SUMMARY</u>			
<u>Bingo Account</u>			
Income	\$20,100.00		
Expense	<u>19,900.00</u>		
Surplus for the year	200.00		
Opening bank balance	<u>1,000.00</u>		
Closing bank balance	<u>\$1,200.00</u>		
<u>Lodge General Account</u>			
Income	\$14,825.00		
Expense	<u>13,425.00</u>		
Surplus for the year	1,400.00		
Opening bank balance	<u>15,000.00</u>		
Closing bank balance	<u>\$16,400.00</u>		

We have reviewed this financial report of Sample Elks Lodge No. 900 for the year ended December 31, 1997.

We conducted our review in accordance with the guidelines for Internal Review as approved by the Grand Executive.

Based on our review, in our opinion these financial statements present fairly, in all material respects, the financial position of the Lodge as at December 31, 1997 and the results of its operations for the year then ended.

Date

Brother \_\_\_\_\_ (Signature)

Brother \_\_\_\_\_ (Signature)