

# GUIDELINES



## BRANCH FINANCIAL REVIEW COMMITTEE



ONTARIO COMMAND  
THE ROYAL CANADIAN LEGION  
FINANCIAL REVIEW COMMITTEE GUIDELINES

This is the first time that Financial Review Committee Guidelines have been issued by Command. In preparing these FRC Guidelines, the Provincial Branch Financial Advisory Committee had input from professional auditors and chartered accountants. The FRC Guidelines are not intended to fully comply with all of the standards and practices of the CICA Handbook.

If your Branch has a Financial Review committee and they use the FRC Guidelines, we will be interested in receiving comments and suggestions on how the Guidelines can be improved.

Please ensure that the financial review committee does not make the mistake of being told that something is done. They are responsible for seeing proof that it is done. A lot of financial review committees think that they can rely on the hired bookkeeper to provide them with the answers - that is not the case - the hired bookkeeper is to provide them with the evidence that it is done.

**WHAT MAKES AN FINANCIAL REVIEW COMMITTEE SUCCESSFUL**

Normally it is comprised of three to five members. The general by-laws state that the financial review committee need not be chartered accountants and may or may not be members of the Branch, but shall not be members of the executive committee. They shall not have been members of the executive for the current year or for the years being reviewed. Branch employees may not sit on the financial review committee. The President will appoint a chairman of the financial review committee who will then be given the duty to form a committee. The committee members are subject to the approval of the Branch Executive who in turn will seek the approval of membership at a General Meeting designated by Branch Regulations.

1. The committee shall appoint a Secretary from within the committee whose duties will be to record the proceedings of meetings of the Financial Review Committee and shall circulate the minutes of such meetings to all members of the committee and upon request to any or all members of the Executive Committee.
2. Committee meetings should be well planned and held as often as necessary to complete the review. The planning and scope of the financial review and results should be discussed and any concerns brought to the attention of the Branch Executive Committee in writing.
3. A duly convened meeting at which a quorum (majority) is present shall be competent to exercise all or any of the authorities, powers or discretions vested in or exercisable by the Financial Review Committee.
4. All Committee members shall understand the importance of finance and accounting and the role of the financial review committee.
5. All Committee members shall expect high levels of performance from both the staff and Elected Officer responsible for finances. Don't be afraid to ask penetrating questions.

6. The term of office is one year unless dismissed by a Special General Meeting called in accordance with the General By-Laws.

These are the guidelines for financial review committees. The following documentation will be required by the financial review committee before they begin the financial review. This documentation forms part of the "official financial review working papers."

The financial review committee is required to maintain a file which will include the following as evidence of the work: -

- ✚ Copy of financial statements – including the breakopen schedule, canteen gross schedule, and notes to the financial statements.
- ✚ Copy of the budget
- ✚ Copy of trial balance
- ✚ Copies of the monthly bank reconciliation for every bank account
- ✚ Accounts receivable listing that agrees to the financial statements
- ✚ Copy of inventory working paper that agrees to the financial statements
- ✚ Copy of working papers that shows prepaid expenses (including early bird per capita) that agrees to the financial statements
- ✚ Copy of accounts payable listing that agrees to the general ledger
- ✚ Copy of working paper that shows the deferred per capita that agrees to the general ledger
- ✚ Copy of PST reconciliation and HST reconciliation – verification that the formulas were reviewed. Note the HST was only implemented effective July 1, 2010 prior to this there should be a GST reconciliation.
- ✚ Copy of wage reconciliation agreement to T4 Summary
- ✚ A copy of invoices of capital asset purchases with a copy of the general meeting minutes approving the purchase
- ✚ A copy of any renovation expenditures that totalled over \$10,000 with a copy of the general meeting minutes approving the renovations as well as the approval from Ontario Command. See Legion Act 1990 and pages 2, 34 and 35 of the Legion Officers Manual.

## INTERNAL CONTROL CHECKLIST

### Instructions:

1. This control checklist is designed for use by the Financial Review Committee. It is designed to form the basis for transaction testing. It does not replace the need to verify at least a sample of underlying transactions.
2. The checklist is not intended to be used for the purpose of a detailed review of a complicated system of internal controls.
3. The objective of the checklist is to enable the appointed Financial Review Committee to assess whether the Branch maintains at least minimum standards of internal control. The efficiency of the internal control in these situations depends largely on the extent of direct involvement by the Executive on the day-to-day management of the business. Therefore, it is essential to determine the Branch Executive's involvement in each major system.
4. NOTE THAT INTERNAL CONTROLS FOR SMALL BRANCHES ARE OFTEN WEAKER AND LESS RELIABLE THAN FOR LARGER BRANCHES. EXPANSION OF REVIEW PROCEDURES MAY BE NECESSARY.
5. The Financial Review Committee must be provided with all bank reconciliations for the year for all bank accounts. The internal review committee will compare the monthly bank reconciliation to the monthly general ledger balance for the bank. The two amounts should be the same.
6. The financial review committee should sample one cash float and test that it balances.
7. The financial review committee will check that all furniture, equipment purchased - that they have seen the invoices and the minutes that approved all purchases.
8. The financial review committee will review all payables. They will look at June and July of the new term to be sure that any bills paid in these months but which belong to the previous year being reviewed are included in the accounts payable.
9. The financial review committee must compare total gross wages to the T4's prepared. The committee must be given a T4 reconciliation and the payroll records and check that all wages have been t4'd.
10. The financial review committee must check that the PST and GST are charged on the correct items. Note that these taxes will be replaced by the HST effective July 1, 2010. Double check the formulas if it is done via Excel sheets. Internal auditors have caught the mistakes in these calculations. If the mistake is done one month - it is easy for the mistake to be repeated as the formulas get copied.

## MANAGEMENT CHECK LIST

The Check List is concerned essentially with basic issues of management and policies. The Management Check List is to aid by asking the type of questions that will jolt the Executive into the realization of the need for attention to broader issues.

These questions which, based on knowledge of the Branch's weaknesses, are likely to have the greatest impact.

	Yes	No
1. Has the Branch established short term and long-range objectives?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Branch established Plans and Policies to achieve these objectives?	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the Branch adopt an annual budget?	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the Branch have the resources to meet current objectives?	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the Branch enable the Executive to foster a high level of performance, discipline and morale?	<input type="checkbox"/>	<input type="checkbox"/>
6. Are channels of communication adequate and are they recognized and used throughout the Branch?	<input type="checkbox"/>	<input type="checkbox"/>
7. Are your present finances adequate and have the sources of your future financial requirements been identified? (state briefly) _____ _____	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the Branch complete statements of revenue & expense for activities and special events held by the Branch?	<input type="checkbox"/>	<input type="checkbox"/>
9. Does your accounting system provide for the control of actual revenue and expenditure by indicating the location, cause and responsibility for variations from the plan or budget?	<input type="checkbox"/>	<input type="checkbox"/>
10. Is there a competent bookkeeper on staff? Under Contract?	<input type="checkbox"/>	<input type="checkbox"/>
11. Does the Branch use a computerized accounting system?	<input type="checkbox"/>	<input type="checkbox"/>
12. If so, is the staff knowledgeable in the operation of the computerized system?	<input type="checkbox"/>	<input type="checkbox"/>
13. If computerized, is a back-up copy kept up-dated and off-site? (frequency?)	<input type="checkbox"/>	<input type="checkbox"/>
14. How many members are on the Finance Committee?	<input type="checkbox"/>	<input type="checkbox"/>
a. how often does the Committee meet? _____		
b. do the members of the Committee have financial or business experience?	<input type="checkbox"/>	<input type="checkbox"/>
c. does the Finance Committee review all of the accounts payable, liquor percentages, pull tab percentages, bank balances and other income expenses?	<input type="checkbox"/>	<input type="checkbox"/>
d. how often are these reviews done? _____		
15. Are you satisfied that your interim financial statements are informative and reliable?	<input type="checkbox"/>	<input type="checkbox"/>
16. Are the procedures and controls established by management actually in effect?	<input type="checkbox"/>	<input type="checkbox"/>
17. What improvements can be made in internal control? Are there any significant weaknesses in controlling operations? _____ _____	<input type="checkbox"/>	<input type="checkbox"/>
18. Is there too much or too little cash on hand? Why? How is surplus cash invested? _____	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
19. Does management have good control over receivables?	<input type="checkbox"/>	<input type="checkbox"/>
20. Are there any significant contingent liabilities not disclosed in the financial statements?	<input type="checkbox"/>	<input type="checkbox"/>
21. What is the Branch's line of credit?	\$ _____	
22. Is the Branch properly financed? Can you suggest any improvements for the future?	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
23. Are the Branch's debts at manageable levels?	<input type="checkbox"/>	<input type="checkbox"/>
24. Will the Branch be able to meet future requirements of debt without significant new borrowing?	<input type="checkbox"/>	<input type="checkbox"/>
25. Are funds regularly set aside to pay property taxes?	<input type="checkbox"/>	<input type="checkbox"/>
26. Has the Branch explored the possibility of property & educational tax exemption?	<input type="checkbox"/>	<input type="checkbox"/>
27. Are property taxes current for year reviewed?	<input type="checkbox"/>	<input type="checkbox"/>
28. Is the Branch remitting all taxes and other source deductions promptly to the government?	<input type="checkbox"/>	<input type="checkbox"/>
29. Has the Branch incurred penalties for late payments?	<input type="checkbox"/>	<input type="checkbox"/>
30. What percentage of last year's sales increases was caused by		
a. price increases?	_____	
b. volume increases?	_____	
c. new products?	_____	
31. How do gross margins compare with last year? Have any reductions been adequately explained?	<input type="checkbox"/>	<input type="checkbox"/>
32. Does Branch policy have a breakdown of each keg sold?	<input type="checkbox"/>	<input type="checkbox"/>
33. Are earnings subject to wide fluctuations? If so, what explanations are given, are they plausible in all circumstances?		
<hr/>		
34. How did the current year's results compare to original forecasts? _____		
<hr/>		
35. Are the forecasts for next year realistic?	<input type="checkbox"/>	<input type="checkbox"/>
36. Does the Branch have adequate property and liability insurance and director's liability insurance?	<input type="checkbox"/>	<input type="checkbox"/>
37. Does the Branch have WSIB coverage for all employees?	<input type="checkbox"/>	<input type="checkbox"/>
38. Did you have any serious disagreements with management on accounting or reporting issues? How were they resolved? _____	<input type="checkbox"/>	<input type="checkbox"/>
39. Have you had complete access to all documents, books and records that you requested?	<input type="checkbox"/>	<input type="checkbox"/>
40. Were there any barriers to your performance of a full and complete review? (be specific) _____	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
41. Were there any adjustments and/or recommendations from last year and were they acted on?	<input type="checkbox"/>	<input type="checkbox"/>
42. Do proper controls exist over receipts for and disbursements from the Poppy Fund?	<input type="checkbox"/>	<input type="checkbox"/>
43. Do all cheque signing accounts have the signatories as authorized in the Branch Regulations?	<input type="checkbox"/>	<input type="checkbox"/>
44. Has the Branch developed any daily, weekly and monthly procedures for members of the executive to follow?	<input type="checkbox"/>	<input type="checkbox"/>



## Internal Control Questionnaire

Note: ALL NEGATIVE RESPONSES MUST BE SUPPLEMENTED WITH EXPLANATION AND SPECIFIC EXAMPLES

	Yes	No
<b>Petty Cash</b>		
1. Are petty cash funds independently counted and reconciled at least monthly?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are petty cash funds limited to a reasonable amount?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are adequate petty cash vouchers obtained for all disbursements?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is staff prohibited from:		
(a) cashing cheques through the licensed premises?	<input type="checkbox"/>	<input type="checkbox"/>
(b) advancing money to employees or ex-officials without prior authorization?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are Branch regulations observed with respect to maximum amount allowed in cash payments?	<input type="checkbox"/>	<input type="checkbox"/>

### Cash Receipts

1. Are all cash receipts deposited promptly?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is control maintained over cash sales and other counter receipts through cash register tapes, pre-numbered receipts or cash sales slips?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is control maintained over mail receipts by having:		
(a) mail opened by someone other than the person who prepares detailed record of receipts which is compared with the cash receipts record?	<input type="checkbox"/>	<input type="checkbox"/>
(b) all cheques stamped "for deposit only" when received?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are duplicate deposit slips authenticated by the bank and compared to the cash receipt records and bank statement?	<input type="checkbox"/>	<input type="checkbox"/>
5. Is control maintained over NSF cheques?	<input type="checkbox"/>	<input type="checkbox"/>
6. Is staff prevented from:		
(a) passing on cash discounts?	<input type="checkbox"/>	<input type="checkbox"/>
(b) cashing payroll or personal cheques from cash receipts?	<input type="checkbox"/>	<input type="checkbox"/>

### Cash Disbursements

1. Are all payments (except petty cash) made by cheque in accordance with the policy contained in the Branch Regulations?	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the Executive always obtain general meeting approval before authorizing Non-budgetary expenditures?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are all cheques pre-numbered by the printer and numbers accounted for?	<input type="checkbox"/>	<input type="checkbox"/>



	<b>Yes</b>	<b>No</b>
4. Are cheques completely filled out and accompanied by approved vouchers when presented for signature?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are two signatures required for all cheques?	<input type="checkbox"/>	<input type="checkbox"/>
6. Are the signatories on all accounts as per the authority contained in the Branch Regulations?	<input type="checkbox"/>	<input type="checkbox"/>
7. Can you verify that no cheques are signed in blank?	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the system prohibit the drawing of cheques payable to "cash"?	<input type="checkbox"/>	<input type="checkbox"/>

### **Bank Reconciliation**

1. Are reconciliations prepared within a reasonable time after the month end?	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the reconciler:		
(a) account for the cheque number?	<input type="checkbox"/>	<input type="checkbox"/>
(b) examine cheque as to amount, payee's name, signature, bank cancellation and endorsements?	<input type="checkbox"/>	<input type="checkbox"/>
(c) trace and review all bank transfers?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are all bank accounts authorized by proper officials and in accordance with Branch Regulations?	<input type="checkbox"/>	<input type="checkbox"/>
4. When new signatories take office are new bank authorization cards signed at the bank?	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the Executive regularly review bank reconciliations?	<input type="checkbox"/>	<input type="checkbox"/>
6. If the Treasurer prepares the bank reconciliations, does the President conduct the reviews?	<input type="checkbox"/>	<input type="checkbox"/>

### **Accounts Receivable and Sales**

Note: Receivables should be discouraged but where in existence:

1. Are accounts receivable reconciled monthly with general ledger control?	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the Treasurer approve of any write-off of NSF cheques or other bad debts?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is control maintained over accounts written off and bad debt recoveries?	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the Treasurer review aged listings of any accounts receivable?	<input type="checkbox"/>	<input type="checkbox"/>
5. Is there a cheque-cashing policy for members: If so, is the policy enforced?	<input type="checkbox"/>	<input type="checkbox"/>

### **Term Deposit Receipts**

1. Are term deposit receipts and any other securities:		
(a) registered in the name of the Branch?	<input type="checkbox"/>	<input type="checkbox"/>
(b) physically safeguarded?	<input type="checkbox"/>	<input type="checkbox"/>
(c) periodically inspected?	<input type="checkbox"/>	<input type="checkbox"/>

**Fixed Assets**

	Yes	No
1. Does the executive as authorized by the membership approve: -		
(a) capital expenditures?	<input type="checkbox"/>	<input type="checkbox"/>
(b) sale and scrapping of fixed assets?	<input type="checkbox"/>	<input type="checkbox"/>
(c) maintenance and repair of fixed assets?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is a detailed record of fixed assets maintained in support of general ledger accounts?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are all fixed assets appraised yearly to establish insurance values?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the Branch property registered in the name of Branch?	<input type="checkbox"/>	<input type="checkbox"/>

**Accounts Payable and Purchases**

1. Are totals of individual accounts payable or unpaid vouchers regularly: -		
(a) balanced with the general ledger control?	<input type="checkbox"/>	<input type="checkbox"/>
(b) reconciled with creditors' statements?	<input type="checkbox"/>	<input type="checkbox"/>
2. Do established procedures ensure that:		
(a) adjustments to accounts are authorized?	<input type="checkbox"/>	<input type="checkbox"/>
(b) debit balances are properly followed up to ensure recovery of any overpayment?	<input type="checkbox"/>	<input type="checkbox"/>
(c) accounts are paid within discount dates?	<input type="checkbox"/>	<input type="checkbox"/>
(d) credit is received for all purchases returned?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are all goods received supported by receiving slips?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are all invoices received:		
(a) checked against purchase orders and receiving slips?	<input type="checkbox"/>	<input type="checkbox"/>
(b) checked as to price, extensions and freight charges?	<input type="checkbox"/>	<input type="checkbox"/>
(c) cancelled at time of payment?	<input type="checkbox"/>	<input type="checkbox"/>
5. Is final approval for payment made by someone?	<input type="checkbox"/>	<input type="checkbox"/>
(a) who examined the attached vouchers for completeness? _____		
(b) who approves proper distribution of charges? _____		

**Notes Payable and Long Term Debt**

1. Is all borrowing properly authorized? (general meeting approval/section 121 general by-laws)	<input type="checkbox"/>	<input type="checkbox"/>
2. Has Provincial Command prior written approval been obtained?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are paid notes properly receipted, cancelled, retained and filed?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
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### Payrolls

- |    |   |                          |                          |
|----|---|--------------------------|--------------------------|
| 1. | Is all hiring, termination and change in wage and salary rates handled according to the Provincial labour laws? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | Are payroll records kept in sufficient detail?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | Are payroll records kept in a secure location?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | Are payrolls subject to:  |                          |                          |
|    | (a) a complete check of clerical accuracy before final approval?  | <input type="checkbox"/> | <input type="checkbox"/> |
|    | (b) final approval by the Secretary-Manager or Treasurer?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. | Is control maintained over:   |                          |                          |
|    | (a) unclaimed wages?  | <input type="checkbox"/> | <input type="checkbox"/> |
|    | (b) old outstanding cheques?  | <input type="checkbox"/> | <input type="checkbox"/> |
|    | (c) payroll advances and deductions?  | <input type="checkbox"/> | <input type="checkbox"/> |

### General

- |     |  |                          |                          |
|-----|--|--------------------------|--------------------------|
| 1.  | Does the Branch have an employee dishonesty clause in their insurance coverage?                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.  | Are employees required to take annual vacations?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.  | Does the Branch use:   |                          |                          |
|     | (a) a chart of accounts?   | <input type="checkbox"/> | <input type="checkbox"/> |
|     | (b) budgets for control of income and expenditures?  | <input type="checkbox"/> | <input type="checkbox"/> |
|     | (c) cash budgets?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.  | Are the books of account:  |                          |                          |
|     | (a) adequate for all aspects of Branch operations?   | <input type="checkbox"/> | <input type="checkbox"/> |
|     | (b) kept up-to-date and balanced at least monthly?   | <input type="checkbox"/> | <input type="checkbox"/> |
|     | (c) kept in a safe place on the Branch premises?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.  | Is a periodic review made as to the adequacy of all types of insurance?                            | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.  | Are monthly operating statements prepared in adequate detail?                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| 7.  | Are copies of the statements circulated at general meetings?                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| 8.  | Are minutes adequately maintained for all meetings?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 9.  | Does the President take a direct interest in the financial affairs and reports that are available? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. | Have there been any cases where legal advice was required?   | <input type="checkbox"/> | <input type="checkbox"/> |
|     | Explain answer if yes _____  |                          |                          |
| 11. | Does the Branch sell Break Open Tickets?   | <input type="checkbox"/> | <input type="checkbox"/> |

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 12. Are gross profits achieved in the indicated range on:                               |                          |                          |
| (a) liquor (70-75%)   |                          | % _____                  |
| (b) draft beer (60-65%)   |                          | % _____                  |
| (c) bottled beer (60-65%)   |                          | % _____                  |
| 13. Does the Branch have a blanket licence for meat draws?                              | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Does the Branch have a blanket licence for 50/50 draws?                             | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Is the minimum requirement of the lottery regulating authority expended on charity? | <input type="checkbox"/> | <input type="checkbox"/> |

### Cash Count Checklist

1. Consider all sources of cash that might be or should be on the Branch premises to ensure that the count includes all funds and that there are no opportunities for substitution. Items such draw tickets, hall rentals, etc.
2. Count petty cash and undeposited receipts in the presence of the senior employee (i.e. manager/bar steward)

**Note:**

- |   |                          |                          |
|---|--------------------------|--------------------------|
| (a) names, dates and descriptions on vouchers or cheques paid by the fund, should be noted, watching for stale dates, reused vouchers, IOU's, approvals             | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) senior employee should sign and date working paper "Petty cash fund of \$_____ were counted in my presence and returned to me intact"                           | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) explanations of any differences should be obtained  | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) senior employee should review and approve any unusual vouchers or cheques   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Ensure that the amounts were the amounts that should have been on hand by agreeing:  |                          |                          |
| (a) petty cash fund balances to general ledger  | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) particulars of last cash sale and cash receipt number to books of original entry  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Follow up count by:  |                          |                          |
| (a) accompanying undeposited receipts to deposit in bank  | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) agreeing deposit to bank statement  | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) investigate any cheques subsequently dishonoured  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. List any cheques prepared and not issued and note last unused cheque number (for possible reclassification as accounts payable rather than outstanding cheques.) | <input type="checkbox"/> | <input type="checkbox"/> |

### Physical Inventory Count Check List

	Yes	No
1. Review the inventory count instructions to ascertain if the instructions are complete so that:		
(a) an accurate physical inventory can be taken	<input type="checkbox"/>	<input type="checkbox"/>
(b) inventory is tidily arranged	<input type="checkbox"/>	<input type="checkbox"/>
2. How often is inventory taken on the following items:		
a) Bar Stock _____		
b) Canteen Items _____		
c) Kitchen Items _____		
d) Misc. draw tickets _____		
e) Break Open tickets _____		
3. Can you confirm that no inventory was missing this year?	<input type="checkbox"/>	<input type="checkbox"/>
If no, how much?	\$ _____	
4. Observe the physical inventory count procedures and make test counts.	<input type="checkbox"/>	<input type="checkbox"/>
5. Control counts made from start to completion, using inventory count sheets. These sheets must be counted and verified by two individuals – not staff.	<input type="checkbox"/>	<input type="checkbox"/>
6. When new inventory is received, is it:		
a) Dated as to when it is received?	<input type="checkbox"/>	<input type="checkbox"/>
b) How is the product dated?		
c) Rotated?	<input type="checkbox"/>	<input type="checkbox"/>
7. Prepared memorandum on adequacy of inventory taking procedure.	<input type="checkbox"/>	<input type="checkbox"/>
8. Are inventories adequately safeguarded?	<input type="checkbox"/>	<input type="checkbox"/>
9. Are periodic reviews made by the Treasurer or President as to slow moving and overstocked items?	<input type="checkbox"/>	<input type="checkbox"/>

### EXPLANATORY NOTES

Explanatory notes are to be attached and form part of this questionnaire.

**CERTIFICATION**

We the undersigned \_\_\_\_\_, appointed by the membership at the general meeting on \_\_\_\_\_ to conduct the annual financial review of the Branch, do hereby attest and declare that we have completed the financial review in accordance with these guidelines and that we have conducted sufficient tests of those accounting records which are susceptible to testing to satisfy ourselves that the financial statements for the period June 1, \_\_\_\_\_ to May 31, \_\_\_\_\_ present fairly and reasonably the financial position of the Branch.

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Financial Review Committee Chairman** \_\_\_\_\_

**Committee Members** \_\_\_\_\_  
\_\_\_\_\_