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Auditor

Identifier	MGT- 12
Revision	
Effective Date	December 1, 2010
Class Length	1 hours and 15 minutes

Change Summary		
Rev #	Date	Comment
	December 1, 2010	New
1	December 15, 2011	Minor revisions

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Financial Auditor

Lesson Plan Goals

To provide Auditors the communication and management tools necessary to make their job easier and less tedious.

Class Length

1 hours and 15 minutes

Instructor Requirements

- 1) Advanced Management Instructor with a thorough understanding of the financial procedures at the Region, Area, Section levels and at the National Office

Learning Objectives

- Understanding the importance of the Auditor in the operation establishment of internal controls in a Region, Area, and Section.
- Describing and understanding the importance of the Auditor's position.
- To review the basic knowledge for an Auditor to be successful.
- Discuss how to apply this knowledge to review the treasury management procedures in a Region, Area, or Section.
- Develop the understanding that this workshop is a training component, and that certification is obtained in the Safe Haven[®] workshop.

Student Skills Acquired

- 1) An understanding of the Auditor duties and responsibilities.
- 2) Various required documentation requirements that an Auditor must complete.

Prerequisites

- 1) Certification through the Safe Haven[®] workshop is required
- 2) Treasurer course is highly recommended

Materials and Handouts

- Financial Auditor PowerPoint Presentation (for Road Shows, or when there is a large crowd in attendance)
- Workshop Roster
- AYSO Auditor Manual
- AYSO Treasurer Manual

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- AYSO Yellow Reference Book
- Auditor Checklist (5 pages)
- Auditor Job Description
- Registration Reconciliation Form
- Reimbursement Form
- Monthly Deposit Report Form
- NAP Report Form
- NAP Account Codes
- Sample Cash Receipt
- Sample Registration Form
- List of Regional counterparts, Area support, Section support, and National Office support (include names and contact information)

Equipment

- 1) Laptop Computer (may *not* be provided by the National Office for Road Shows)
- 2) LCD Projector
- 3) Flip Chart
- 4) Markers

Special Instructor Notes – Financial Auditor Workshop

These are the icons that will be used throughout the Lesson:



Activity



Key (Critical) Point



Question



Instructor Note



Handout



PowerPoint (slide presentation number)



Nuts and Bolts



NOTE: All BOLD items must be emphasized with student confirmation

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Small group instruction - If giving this workshop at an Area level, a much more informal approach can be taken. The intent would be to have a workshop of all the Auditors, Regional Commissioners, or Treasurers in an Area attend this workshop. Cross-training further educates the volunteer and further empowers them to complete their specifically assigned job duties.

- ❖ If you are working with a co-instructor coordinate each assigned topic with enough advance notice for proper preparation. Arrive early enough to arrange the room that best fits the venue and anticipated number of participants. (Keep in mind what room arrangements lends itself to this workshop)
- ❖ Regardless of how many Auditors or other volunteers attend this workshop a roster should be passed around and a copy sent to the National Office, or managed via eAYSO.
- ❖ The first thing to do is to assess the level of experience in this workshop. Find out if you have more than just Auditors and Treasurers in the workshop. If you do, tie the roles of the Auditor together with the other volunteers in the room, especially the Treasurers. Then ask how the other volunteers can support the Auditor. No matter what level of experience is present, teach from the lesson plan.
- ❖ Make sure you have enough copies of ALL handouts, and have them collated prior to the beginning of the workshop. Pass them out as the students enter the class. Make sure each student has the quick reference guide and instruct them to have it out and ready to use.
- ❖ Prepare the room with any word strips, posters, and flip charts.
- ❖ After introductions of instructors and any housekeeping items (including starting the rosters around), start with the overview and the objectives of the class with what information each student will go away with, and how that information empowers them to complete their special job tasks. **PowerPoint slides number 2 and 3.**
- ❖ Flow into the body of the lesson plan. Remember to fully discuss each bolded item. Address any and all “on task” questions before moving on in the workshop. If a question is asked that you are unsure of the answer, do not make one up that may sound correct, find out the correct answer and let the student know that you will get back to them within a specified time frame and method. Some of this can be very technical and problems can be caused if incorrect information is disseminated. If questions are being asked that are

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not applicable to the workshop, or are a higher level question, please refer them to their Area Director, Section Director, or National Office support staff. Do not spend time on these types of questions.

- ❖ Move into the balance of the lesson plan. The Auditor has specific duties to perform during the year. If done in partnership with the other Board Members and support staff, completed in a timely fashion, it will be a well run and protected program.

Road Show or Section Meeting workshop - under 50 participants - Send the roster around and ensure all participants sign it.

- ❖ At Road Shows or Section Meetings your time is limited, so it is important to stick to the lesson plan. Make sure that you have enough copies of ALL handouts for each participant. Arrange the room so that it will enable you to present the workshop to the number of participants. Computers and LCD projectors (PowerPoint presentation tools) must be set up prior to the workshop. The use of several rosters will facilitate quicker completion and less distraction to the participants.
- ❖ After introductions of instructors and any housekeeping items (including starting the rosters around), start with the overview and the objectives of the class with what information each student will go away with, and how that information empowers them to complete their special job tasks. **PowerPoint slides number 2 and 3.**
- ❖ Always assess the audience to make sure that it is understood that this workshop is for new, first year Auditors, and that what you will be covering will be basic information. However, emphasize that the other volunteer positions present support the Auditor and vice versa.
- ❖ Make sure you watch your time during the presentation so that you will be able to answer questions. The more participants in the workshop, the more questions you will have.
- ❖ Prepare the type of format you will use for the activities based on the projected number of participants (i.e. game based, guided participation, individual based, or group based).
- ❖ Move into the balance of the lesson plan. The Auditor has specific duties to perform during the year. If done in partnership with the other Board Members and support staff, completed in a timely fashion, will be a well run and protected program. The end of the workshop should tie all the information together and provide a realistic outlook for the new Auditor.

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Road Show or Section Meeting Workshop - 50 or more participants

- ❖ At Road Shows or Section Meetings it is important to stick to the individual lesson plan. Make sure that you have enough copies of ALL handouts for each participant. Arrange the room so that it will enable you to present the workshop to the number of participants. Computers and LCD projectors (PowerPoint presentation tools) must be set up prior to the workshop. The use of several rosters will facilitate quicker completion and less distraction to the participants.
- ❖ Always assess the audience to make sure that it is understood that this workshop is for new, first year Auditors, and that what you will be covering will be basic information. However, emphasize that the other volunteer positions present support the Auditor and vice versa.
- ❖ Be careful with questioning with larger groups. It will be harder to stay on task and to complete the lesson plan with too many questions. However, any “on task” question must be addressed correctly.
- ❖ Prepare the type of format you will use for the activities based on the projected number of participants (i.e. game based, guided participation, individual based, or group based). It will be harder to have everyone participate in a larger group.
- ❖ Move into the balance of the lesson plan. The Auditor has very specific duties to perform during the year and the rest of the Region is depending upon the Auditor to perform their specific job functions.

➤ Introduction

- STATE: We will be explaining the importance of the auditor. Explain to the students that there is a great deal of information that a auditor needs to know to perform his/her job. The students should have already taken the Treasurer workshop and stress to the students the importance of attending that workshop too. Remind the students that the current on-line Treasurer course is not a substitute for the live Treasurer course or the Treasurer webinar.
- CLICK2 for second item.
- STATE: We will be explaining the importance of the auditor job description and why the auditor needs to understand it.
- CLICK3 for third item.
- STATE: We will be reviewing the recommended AYSO audit procedures.

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○  **Job Description**

○  **Slide 4–Why do we need Auditors?**

- ?** Question the participants on why they need to be trained as an Auditor. Write the responses down on a flip chart or white board. After all responses are obtained, reveal the answers on Slide 4 and highlight any answers that were not given by the participants and why it is important to the program.

➤  **Slide 5–Problems within AYSO**

- ?** Question the participants and see if they have heard of problems within AYSO. After any answers, review the items on the slide. These are all actual instances of problems that have occurred in AYSO.
- All AYSO Region, Area and Section accounts and assets are, by law, the property of AYSO (including discretionary accounts) and must be treated accordingly. Responsible for managing the financial affairs of the Region, create a system of financial control, and to file financial reports in order to help AYSO maintain it's nonprofit, tax exempt 501(c)(3) status. The Auditor is appointed and reports directly to the Regional Commissioner. The Auditor may not be a member of the Regional Commissioner's immediate family or household. A full job description is available on the AYSO website at www.ayso.org

➤   **Slide 6–AYSO Financial Procedures**

- Inform the attendees that all entities have some type of financial procedures or policies. Within those procedures or policies every entity has what are called internal controls. Internal controls are the general controls to safeguard the assets of the entity.
- The National Accounting Program. NAP is the system whereby each Region reports their transactions to the National Office. Remind the students that NAP is discussed at length in the Treasurer course and that if they have not taken that course, they need to take it as soon as possible.
- The NAP guidelines are spelled out in the Treasurer Manual. Let the students know that they should all have access to a Treasurer Manual.
- Remind the students that most of the AYSO Treasurers do not have financial backgrounds. So since the Treasurers do not have financial background, they could be more prone to mistakes if they

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are unaware how detailed this type of work is. But also remind the students that these are just volunteers.

➤  **Slide 7–AYSO Auditor Job Descriptions**

- Inform the attendees that every level of Auditor within AYSO has their own job description. There is a Regional Auditor, an Area Auditor and a Section Auditor.
- There is no National Auditor job description (unlike the National Treasurer) since this is handled by an outside C.P.A. firm on an annual basis.

❖  **Slide 8–Common Acronyms Used in the Auditor’s Job Duties (make word strips for small group presentations)**

Included in PowerPoint presentation

- **RC** – Regional Commissioner
- **CVPA** – Child Volunteer Protection Advocate
- **AD** – Area Director
- **IF** – Information Form (used for either Region, Area or Section)
- **SAI** – Soccer Accident Insurance (part of the player registration fee paid to the National Office)
- **NAP** – National Accounting Program
- **MDRF** – Monthly Deposit Report Form

Not included in PowerPoint presentation(ask students to name others not included above, below is a partial list – there are lots!)

- **RGTR** – Regional Treasurer
- **RRF** – Registration Reconciliation Form
- **RCA** – Regional Coach Administrator
- **RRA** – Regional Referee Administrator
- **RGRG** – Regional Registrar
- **RGSEC** – Regional Secretary
- **RGSAF** – Regional Safety Director

➤  **Slide 9 –Job Duties and Responsibilities – these are some of the key items that Auditors need to do.**

- Perform annual “check-up” using the questionnaire/checklist that we’ll review in depth later – a spot check only. Review the NAP report periodically. The Auditor should have the same eAYSO access as the Treasurer so they should be able to view the NAP reports on-line.

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- May be asked to assist another Region. In some cases, larger Regions may be asked to assist smaller Regions with their audits.
- Must report to Section Director or National Office any large unusual transactions Anytime that you note any transaction that looks large and unusual, it needs to get communicated to the Section Director.

➤  **Slide 10 –Qualifications and Desired Skills**

- Do not have to be financial professional. It is always nice to have a financial professional as the Auditor, but that is not a requirement.
- AYSO Treasurer experience not required. The Auditor does not require any previous AYSO Treasurer experience, although that would always be a benefit.
- Must be independent and objective; the Auditor needs to be able to be independent from the Region or its Board Members and be objective in their thinking.
- The Auditor needs to be honest and ethical.

➤  **Slide 11 –Auditor Job Restrictions**

- There are a few volunteers that cannot be an Auditor. Those include:
- Cannot be a voting Board Member. The theory is that this will help the volunteer to keep their independence while performing the audit.
- If previous Treasurer, cannot audit your own work. The logic is that how can your audit something that you did.
- Immediate family members cannot be (or live in the same household):
 - Regional Commissioner
 - Treasurer (any level)
 - Area Director
 - Section Director

➤  **Slide 12 –Supervision – who the Auditor reports to**

- Regional Auditor reports to the Regional Commissioner or above. The RC is the head of the Region therefore the Auditor should report to them.
- Area Auditor reports to the Area Director or above. The AD is the head of the Area therefore the Auditor should report to them.

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- Section Auditor reports to the Section Director or the National Office. The Section Auditor should report to either the Controller or Chief Financial Officer of AYSO. They can also report to their NBOD liaison.
- **NOTE:** These could change if you suspect problems. If you ever suspect someone that you are reporting to be part of the problem, you need to do to the next higher level or straight to the National Office. Never accuse a volunteer of wrong doing.

➤  **Slide 13 – Training and Time Commitment**

- Orientation by RC (or AD if Area Auditor). This orientation should be performed after the Auditor is appointed and before the Auditor begins the first audit. It is a good idea to also include the Auditor when a new RC and their Board are given the **RC and Board Orientation** by the Area Director.
- Entry level AYSO management course – AYSO’s Safe Haven[®]. Safe Haven[®] is the certification portion of the required training and certification of all volunteers.
- Treasurer Workshop; the Treasurer Workshop is required and it can be taken either as a webinar or on-line. It is always more beneficial to the volunteer to take a live course.
- Any Auditor, Treasurer or Financial Annual updates that may be offered. If these are ever offered, this is highly recommended.
- Time Commitment:
 - Periodically – 1 hour or so per month
 - Annually – About 4 to 6 hours
- That this volunteer job is busy for any amount of time during the annual audit. The other times during the year have very minimal time requirements.

➤  **Slide 14 – Reference Materials (have copies of as many as possible to share with the students)**

- **Treasurer Manual** – Question the participants on why they would need a Treasurer Manual when they are Auditors. The answer is that you cannot audit something unless you understand what the requirements of that position are.
- **Auditor Manual** – This will provide a step by step road map to completing your audits.

➤  **Slides15 – It’s Audit Time! ≡**

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- These questions will all be answers within the PowerPoint.
 - Where do I Start?
 - When do I perform the audit?
 - Who is included in my audit?
 - How do I go about it?
 - What do I do if I need help?

Slide 16 – Where do I Start?

- Notify the Treasurer of your audit plan and when you would like to begin.
- Explain that the Auditor should send some type of communication to the Treasurer, with a copy to the RC, with your start date. Try and work with the Treasurer to get a date that works for both of you. If you continually get put off by the Treasurer, contact the RC.
- At the time that you agree upon a date, send a **Request for Documents** which is a form that has most of the information that the Auditor will need listed out so that the Treasurer has all the documents are ready for you when you start.

➤ Slide 17 – When do I perform the audit?

- Perform the audit sometime after the end of the fiscal year (June 30)
The longer the period until the audit starts, the greater the chances that some of the records may get lost. It good to start sometime in August after the last bank statement is received.
- It is a very good idea to perform an additional audit each time either there is a change in the RC (AD) or the Treasurer. This is a good habit and also the incoming RC or Treasurer has some confidence that what they are getting is correct up until the time that they received the records.


➤ Slide 18 – Who is Included during my Audit?







- The Treasurer is the main volunteer that you will be dealing with.
- You may need to contact the Registrar to help the Auditor to determine how many players were registered during the season. This will help the Auditor calculate the registration income amounts that should be included within the financial records.
- There could be some times where the Auditor would also need to get the RC (or AD) involved. This may be for fundraising activities and other activities that occurred within the Region that the RC would know best.


➤ Slide 19 – How do I go about it?

- Use the checklist.

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-  *For most of the remaining part of the course, go through each of the items on the checklist and explain how to find and record their answers to the questions on the checklist. For additional guidance for this portion of the class, the instructor should be familiar with the information that is provided in the Auditor Manual. Make sure that you have a copy of the manual and do not make up any answers that you do not know.*

-   **Slides 20 through 24- Checklist.** Review the checks with the participants not only for the way the check is completed but to review if the check has everything preprinted correctly.
 -  **Slide 20 on PowerPoint shows the Cover Sheet of the Audit Checklist**– On the PowerPoint, different fields will be highlighted. Make sure to point out to the students that the example in the PowerPoint is for a Regional Audit; there is a different form for an Area Audit which could also be used for a Section audit.
 -  **Slide 21 to 23 on PowerPoint shows the Actual Audit Checklist**– These three pages are the main portion of the checklist and each line will be highlighted and the instructor should review each to make sure that the students have an understanding of each. Some of these items are very easy to understand while others are not. Since there is a lot of lecture involved in this course, try to question the students on what they believe what some of these audit steps are.
 -  ***These three slides are where the majority of the class time will be spent. Keep track of time to make sure that all of the checklist items are properly covered.***
 -  **Slide 24 on PowerPoint shows the Summary Sheet of the Audit Checklist**– This is where any unusual items are noted that are uncovered during the audit. There are spaces for five items; if there are more than five additional sheets should be used. This is also where the Auditor signs the form and it should be then signed by the RC, AD, etc.

-  **Slide 25 – How do I go about it?**
 - Use the checklist

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- Common sense – much of what an Auditor does is common sense. Never assume anything, make sure that you see a document that supports what you are being told.
- Perform the “Smell Test”, if it “Smells Bad” it probably is bad.
- Don’t accuse a volunteer – never accuse a volunteer of any wrong doing, if the Auditor believes that there may be a serious problem or issue, then they need to obtain some guidance or help. The next slides will discuss that.



≡Slide 26–What do I do if I need help

- Contact your Area Auditor or Area Director. You can start with the Area Director, and then also the Area Treasurer or Area Auditor. You can possibly even try the Area Management Administrator if your Area has one. You might also want to try a neighboring Region, they may have experienced the same issue and know the answer.
- If the Area staff cannot help, next try the Section staff. You can start with the Section Director, and then also the Section Treasurer, Section Auditor or Section Management Administrator.
- If there is no help for your problem at the local level, then your last stop is the National Office. Try the Controller, this individual is in charge of all accounting functions at the National Office or the Chief Business Officer, this individual is in charge of all day to day business activities at the National Office and oversees the accounting functions.




≡Slide 27–Conclusions – Explain to the participants that the role of the Auditor is a very important role in their Region or Area.

- You need to understand the importance of your position in the Section/Area/Region You need to explain to the students how important the Auditor position is to the Region and also how important it is to complete an audit.
- You need to understand your job description and the importance of following it. All volunteer positions in AYSO have a job description and explain to the students how important it is to them.
- You help control the financial stability of your Region. The Auditor position within the Region helps with the checks and balances of the Regions to ensure that all of the Region's money is properly accounted for.
- AYSO is one entity! If one Region has huge financial issues, that could cause issues for the entire organization, that is why the Auditor position is such an important one.

You help protect the KID’S MONEY!! This is the kids’ money and we need to protect it for the kids.

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 **Slide 28–Closing** – thank everyone for attending and mention other classes to continue the Treasurer’s education process.

Also, remind the participants of other financial courses that they should consider taking that were mentioned earlier in the class:

Treasurer workshop is a prerequisite for this course and, if it has not been taken by the students, it should be taken as soon as possible.

The eAYSO for Treasurers workshop is a must for all Auditors and Treasurers, old and new. It will provide the Auditor the basic framework on how to use eAYSO to better review their Region’s operations.