**AUDITING GUIDELINES**

1. Goals of Auditing
   1. Identify misuse of funds and potential issues.
   2. Inform the Rutgers University Student Assembly Allocations Committee (“Allocations”) and the Advisors of normal standard operating procedures, financial activity and aberrant behavior within organizations it funds.
   3. Educate, communicate and adapt funding regulations to organizational requirements.

II. Auditor Responsibilities and Code of Conduct

1. Perform audits in a timely manner.
2. Follow an approved and equitable auditing procedure.
3. Present the results of an audit in a clear, organized, comparable and systematic manner.
4. Facilitate Allocations and organizations in the auditing process as a liaison by faithfully communicating organizational needs to the committee and committee requirements to the organization.
5. Perform impartial, verifiable and accurate auditing methods.
6. Provide a report on effectiveness, efficiency and outcomes of semester’s audits at retreat.
7. Protect and assure in good faith the privacy of individuals.
   1. Audit Guidelines

a. Selection of Organizations for Audit

* 1. Random Numerical Selection
  2. Allocations member referred organizations suspected of violations that can be verified.
  3. Anonymous verifiable, specific references
     1. Online, web, email
     2. SABO Staff
     3. Direct Contact with a member of Allocations
  4. Specific consideration of audit for every organization that requests additional allocations.
  5. Immediate auditing of any organization that reveals it has violated funding guidelines.

b. Order of Auditing

1. An “auditing index” will be created and maintained by the auditor. The purpose will be to allow auditors the flexibility to choose organizations in exception to the following clause in consideration of time and work necessary to complete an audit.
2. There will be a queue system within the “auditing index.” It will be organized by date of determination to audit the respective organization. Any organization next in the queue that is not audited will be annotated with an appropriate reason for accounting purposes. No organization will be skipped for more than six times, three per auditor, without prior approval from Allocations.
   * + 1. Reasons for skipping next organization in queue
          1. Immediate audit of another organization that is suspected to have committed violations.
          2. Officers of the next organization in queue are legitimately unavailable, particularly the president and treasurer.
          3. Next organization in queue has allocated program or trip/travel in the near future and it would be more effective to have afterwards.

Condition to reason above, organization must have used allocations effectively in the past.

c. Audit Execution

1. Notification
   * + 1. The Administrative advisor will be notified by email or phone of Allocation’s intent to audit the organization chosen.
       2. Next, the President and Treasurer will be notified by email or phone of Allocation’s intent to audit their organization.
       3. A formal letter will be placed in the SABO Folder of the organization.
       4. Following formal notification and appropriate review as indicated in the following section, an appointment for an intake conference will be scheduled.
2. Audit Review
   * + 1. The purpose of a review before the intake conference is to allow the auditor to gain a familiarity of the organization and to assess any clear and potential infractions of rules and allow the officers an opportunity to clarify any issues that may arise.
       2. The auditor will acquire the Statement of Account from the SABO.
       3. A review of the statement in accordance with procedures outlined in Clause III.c.iv will be conducted. The Auditor will highlight any areas of concern for discussion at the intake conference.
       4. The auditor will use discretion in terms of the thoroughness necessary in the Audit Review.
3. Intake Conference
   * 1. Meet with, at minimum, the President and Treasurer.
     2. Discuss briefly the guidelines of spending funds:
        1. Have you read the handbook?
        2. Have you attended a workshop?
        3. Have you any questions/concerns?
     3. Explain goals and possible outcomes of audit.
     4. Clearly communicate and provide a link to the Appeals Process.
     5. Review and complete Organizational Intake form
        1. Programs run by organization
        2. Standard operating procedure
        3. Structure of Officer Control
        4. Upcoming programs or trips/travel.
     6. Discuss any areas of notice that arise from Audit Review
     7. Present and obtain signatures on Statement of Understanding within three business days from all officers.
     8. Request and obtain all pertinent Treasurer’s planning/account documents within five business days.
4. Audit Execution
5. Auditing Timeframe
   * + 1. Covers last semester and all of current semester’s activity, unless otherwise necessary due to specific reason or an expanded audit.
6. Audit Process
7. Acquire
   * + - 1. Past relevant budget applications
         2. SABO Account Folders
         3. Statement of Account at other colleges, in effect until Spring 2008
         4. Treasurer’s pertinent documents as directed in the Intake Conference
8. Analyze
9. Verify all transactions are within guidelines.  
   Focus:
10. Ensure all food is for events or food at meeting is from Generated Revenues, Line Code 137.
11. Expenditures are in correct line codes to ensure that diversion of line code monies does not occur.
12. Only approved programs are funded. Program Change approvals will be checked with the organization’s liaison for validity.
13. Standard checklist of common funding violations to organize auditing effort, and insure comprehensiveness and comparability.
14. Verify, if feasible:
15. Appropriate and valid Honorariums
16. Appropriate and valid Contracts
17. Nature of Advertising
18. Appropriate and valid Room Rental Costs
19. Appropriate and valid Capital Expenditures
20. Referencing
21. This may be done concurrently with Analysis.
22. Clarification and confirmation of confusion about issues discovered in analysis phase with Treasurer.
23. Proper controls must be in place to ensure that there is no opportunity to destroy records or cover issues that are discovered and raised with an organization.
24. Audit Assessment
25. Follow guidelines to place overall compliance of organizations into one of the following categories. Engage assistance from another auditor if necessary. These are guidelines, not necessarily strict profiles.
    1. Full Compliance
26. No violations of funding rules.
27. Inform Allocations at next meeting.
28. Recommend closing of audit without objection.
    1. Partial Compliance
       1. Two or less violations of funding rules.
       2. Violations stem from clear lack of understanding.
       3. Poor adherence to budget.
       4. Inform Allocations at next meeting.
       5. Recommend penalty ranging from probationary status to freezing of accounts/mandatory budget cut in following semester, as appropriate.
    2. Non Compliance
       1. Any error over $50.00 due to negligence. Automatic.
       2. Clear, intentional fraud or theft.
       3. Reckless disregard for guidelines.
       4. Inform Allocations Chairperson and advisors immediately.
       5. Recommend immediate freezing of accounts, and prompt action by Allocations.
    3. Inconclusive
       1. Lack of documentation to make an assessment.
       2. Poor documentation.
       3. Lack of cooperation.
       4. Inform Allocations at next meeting.
       5. Recommend appropriate action on a case by case basis.
29. An appropriate Sanctions Protocol will be used to assess the specific actions that may be taken after an audit. It will serve as the central decision document and will include a page that informs the organization of the audit outcome. It will be approved by Allocations.
30. A separate Appeals Process will be used to assess those cases where an organization may appeal Allocations’ decision and the process thereof. It will be approved by Allocations.
31. A recommendation to expand the audit in cases where it is deemed necessary is also applicable. The expanded audit would typically cover the semester preceding the last.
    1. Organizational Sanctions due to systemic problems are reported to and enforced through the SABO.
    2. Officer infractions are enforced through RUSA Allocations Board.
32. All recommendations are meant as a guide to the tone of Allocations policy towards infractions. All recommendations are approved and carried out through Allocations as a body. In the event of violation of the University Code of Conduct (i.e. Forged signatures) the Advisor is the controlling entity.
33. Audit Report
    1. Cover Sheet:
       1. Name of Organization and current officers
       2. Current Allocated Funds, including additional allocations
       3. Auditor’s Assessment and Recommendation
    2. Supporting information for Recommendation.
       1. In all but the case of a Compliance Assessment, supporting information will be on additional pages with the infractions and associated dates, amounts, and remarks.
34. Documentation Order
    * 1. Audit Coversheet
      2. Audit Progress
      3. Statement of Understanding
      4. Audit Report
      5. Sanctions Protocol (If Necessary)
      6. Organizational Intake
      7. Inventoried records from SABO
      8. Organization’s requested budgets
      9. Audit Calculations
      10. Audit Notification