

DRAFT

LFND Annual Internal Review/Audit Procedure

The executive committee of the Foundation board of directors during the previous fiscal year shall serve as the Internal Review/Audit Task Group.

The Internal Review/Audit Task Group, at its discretion, shall set the circumstances of its review, however, as a minimum the task group shall accomplish the following:

- 1) The task group shall obtain from the treasurer, a list of all check numbers and values and a list of all deposits and values from the previous fiscal year.
- 2) The task group shall select a minimum of 10% of the checks and a minimum of 10% of the deposits for detailed examination. The task group shall select three months of investment statements from the previous fiscal year. The lists of items selected shall be provided to the treasurer.
- 3) The president of the board of directors serving during the previous fiscal year shall schedule and chair a meeting (in person or e-meeting) of the task group no later than 30 days after the end of the previous fiscal year.
- 4) The treasurer shall prepare and present to the task group, details of the selected checks and deposits. The checks and deposits shall be verified with applicable bank statements.
- 5) The task group shall review investment account statements to ensure no unauthorized withdrawals or redemptions were made and that account balances on the statements agree with reports provided by the treasurer during the previous fiscal year.
- 6) The treasurer shall bring to the meeting: monthly bank statements for the previous fiscal year, the treasurer's quarterly reports for the previous fiscal year, deposit slips and associated records, and documents supporting the checks written during the previous fiscal year, and statements from investment managers during the previous fiscal year.
- 7) The task group shall report the results of its review/audit to the current board of directors not later than the October meeting.