Ten questions to ask your auditor:

1. What internal controls are in place to prevent an employee, officer, or outside agent from intercepting checks intended for our organization prior to their being recorded in our books?

2. What controls are in place to prevent the unauthorized disbursement of funds from our bank accounts (general and payroll) by an employee or officer?

3. What controls are in place to prevent one of our vendors from over billing our organization?

4. Are you aware of any forms of compensation or benefits received by our organization’s officers, directors, or key employees that were not specifically approved by the board of directors?

5. Are you aware of any inappropriate or undisclosed relationships between officers, directors, key employees, vendors, or donors?

6. Are you aware of any relationships with vendors or contractors that appear to be less than ethical, warranting further inspection, or should otherwise be considered when putting out for competitive bid (e.g., relationships that have become too casual or close)?

7. Are there any individuals involved in the accounting process who wield excessive control or whose work is not subject to adequate review by another individual?

8. How would you characterize the morale, work environment, and professionalism of accounting personnel and senior management of our organization?

9. Overall, how would you rate our organization as to how well we are protected against fraud?

10. What is the most important step we could take to further protect our organization against fraud?

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