

## Lajna Ima'illah USA- Audit Guide

Auditing aims to ensure compliance with Lajna Ima'illah's financial procedures and safeguards, while also identifying any inefficiencies or issues. The Auditing checklist is prepared to ensure that the auditing process is conducted with accuracy, integrity, and transparency in each Majlis, following the guidelines from the Lajna Constitution. A master audit Google Sheet file is created for all the Majalis and shared with both the local Muhasiba maal and the Local Sadr of each Majlis. The Local Sadr and the local Muhasiba maal are permitted to edit only their respective Majlis sheets; the rest of the file is viewable only. Each local Majlis auditor is expected to complete the audit for the quarterly term in accordance with the expectations set by Markaz.

	<b>Auditing period</b>	<b>Audit Report Due Date</b>
Quarter 1	October – December	1st- 31st Jan
Quarter 2	January –March	1st- 30th April
Quarter 3	April-June	1st-31st July
Quarter 4	July-Sep	1st- 30th Oct

Auditors are expected to carry out the audit by carefully analyzing each task on the [checklist](#), one by one. This analysis will establish the status of each task by selecting the appropriate checkbox on the left side of the sheet. Please select only one checkbox for each task based on its status. For example:

<b>IN PROGRESS</b>	<b>VERIFIED/ COMPLETED</b>	<b>NOT COMPLETED</b>	<b>NOT APPLICABLE</b>
<ul style="list-style-type: none"> <li>The analysis has started.</li> <li>Information has been gathered about the task, but the task is not completed yet.</li> </ul>	<ul style="list-style-type: none"> <li>All the information has been gathered and verified with the sources.</li> <li>The task is completed.</li> </ul>	<ul style="list-style-type: none"> <li>The task has not started.</li> <li>Do not have the skill or relevant information to perform the audit.</li> </ul>	The task does not apply to your Majlis/ chapter.

Please contact National Muhasiba Maal at muhasibamaal@lajnausa.net for any questions or concerns regarding a specific task or the audit process.

## Respected Sadran and Local Muhasiba Maal Sahiba,

This document serves as a structured guide to the key responsibilities of auditors at the local level, organized according to the subsections specified in the **Local Lajna Audit Checklist for 2025-2026**. Each audit begins by identifying the audit period, the names of the auditor(s), and the name of the Majlis. All tasks are categorized into sections, which are color-coded based on specific criteria.

**Good practices: These tasks facilitate the auditing process and educate the auditor about the financial matters of the Majlis. An audit cannot be completed without performing these tasks.**

**Auditor key responsibilities: The tasks listed as the auditor's key responsibilities in the Lajna constitution must be performed quarterly by the auditor.**

### I — Majlis Information and Bank Information

- The auditor first confirms the **time period** during which the audit was conducted. All the information should be specific to the period for which the audit is conducted.
- They verify the **legal name and address** of the Majlis as it appears on the bank account and ensure that the **official Lajna email account** was used to submit financial reports.
- The auditor checks whether any **PayPal or digital transfer accounts** are correctly established under the name of *Lajna Imaillah*. The correctness of the **bank account** and **routing number** is verified to ensure all financial transactions are tied to the proper account.

### II — Income and Expenditure Budget

- The auditor evaluates whether the **Income and Expenditure Budget** has been formulated for the Majlis, and whether it has been shared with the local *Amila*. They check that all expenses are correctly classified by the department and investigate any **misclassified or inappropriate accounts**. Sample income and budget formats are provided under the Maal webpage.
- The auditor also looks at **surplus funds** and how they were used, as well as any **deficit** and their causes. (Note: No local majlis can go over budget or spend its surplus without the approval of the National Sadr Lajna Imaillah USA) )
- All **cash collected** through Fundraising must have been deposited into the bank account. The auditor reviews the **allocation of funds**, ensuring the purpose for which funds were used aligns with the guidelines. (Note: To ensure proper fundraising procedures, two individuals must sign off on all cash received. At each site, at least one person will sell merchandise while the other collects cash. They should count the cash together and submit the signed documentation to the Finance Secretary.)

### III — Auditing Accounts/Bills

- The auditor ensures that all the expenses were properly authorized by the local Sadr.
- the auditor matches receipts with payments and notes any differences between money spent and money issued.
- Bills must be **signed**, bank reconciliation must be completed, and the **Chanda accounts** must match the receipt books.
- The auditor reviews the handling of **advance payments** and **loans**, and verifies that purchases and reimbursements were completed within a reasonable time, generally **within 30 days**.
- Ensure each receipt shows the purchaser, purpose, amount, date, and related check number.
- Require digital receipt submission at the time of reimbursement request.
- Standardize scanning quality and enforce labeling before acceptance.
- Maintain electronic backups (PDF) for large national events (Ijtema, Shura, Lajna Mentoring)

### IV — Chanda Collection

- Reviewed Chandas' account to match the receipt books and the income report.
- The auditor and secretary Maal will hold quarterly meetings to assess the receipt book inventory.

### V. Audit Facilitation / Maal Collaboration

- An inventory of receipt books is maintained and reviewed quarterly.
- Large expenditures—defined as **25% or more of the budget**—must have been made **collectively**, with approval from the Local Sadr, Secretary Maal, and Muhasiba Maal.
- The auditor checks that all documents and receipts are **easily accessible** and that an **electronic backup** exists within the Lajna workspace at the local level.
- Notes whether each Majlis supported the audit process with cooperation from the Local Sadr and Secretary Maal.
- 

### VI — Reporting

- Quarterly income reports must be **signed and submitted** to National Maal.
- All **budget reports** and **audit reports** must be submitted to National secretary Maal and Muhasiba Maal respectively.

**VII. Audit Findings and Recommendations:** Please use the comment sections to provide your **summary** of any significant findings of the audit and the **recommendations** to make where improvements are needed. An audit can only be completed after providing the Audit summary and recommendations in writing.

**Local auditors are required to conduct an audit using only the seven sections mentioned above. The remainder of the sections is intended for regional and national use only. Jazākumullāh Ahsanal Jaza!**

**Noor Bhatti**—National Muhasiba Maal, Lajna Ima'illah - USA