

The Audit Report for 2020
of
Tacoma Links

Audit Committee's Intent/Purpose:

1. Provide information to assure that financial procedures are in agreement with The Links, Incorporated and chapter's policies.
2. Assess objectively how the chapter is operating financially.
3. Provide a report of discoveries and make recommendations.
4. Meet with the chapter president and financial officers to give feedback regarding findings and recommendations to maintain the integrity of the financial processes.



Linked in Friendship, Connected in Service
Tacoma (WA) Chapter

Internal Audit Committee Report- 2020

To: President, Financial Officers, Executive Committee, and Chapter Members

From: Internal Audit Committee

Christine N. Turner– Chair
 Victoria Fletcher
 Helen Henderson
 Stephanie McGriff
 Dorothy Williams
 Thelmajean Crovello

The Internal Audit Committee met on July 6, 2020 with clarifying follow-up after the meeting and completed the Internal Audit of all financial records of the Tacoma Chapter of The Links, Incorporated for the fiscal year of May 1, 2019 to April 30, 2020 in accordance with required guidelines. The auditing process included the examination of the Financial Secretary’s and Treasurer’s accounting records, financial reports, receipts, checks, deposit receipts, vouchers, and monthly bank records from Key Bank.

Commendations

1. The committee commends the Financial Secretary and Treasurer for their management of the financial affairs of the Tacoma Chapter.
2. Financial officers maintained separate accounting for operations and program records, adhered to the separation of duties for receiving and disbursing of funds; and initiated the use of a transmittal form.
3. The financial records were organized and with assurance all funds were accountable.

Management of Chapter’s Funds Recommendation	Yes	No	Exception
---	------------	-----------	------------------

1. Financial Secretary (SF) accounted for receiving incoming chapter’s funds.	X		
---	---	--	--

2. Financial Secretary issued receipts for all monies received.	X			
3. Treasurer (T) deposited funds in bank within five days upon receiving them.	X			

Management of Chapter's Funds Recommendation	Yes	No	Exception	
--	-----	----	-----------	--

4. Financial Secretary and Treasurer reports were presented at each chapter meeting?	X			
5. All chapter budgets (restricted and unrestricted) were prepared and approved by the chapter by February 1 st .	X			
6. Monthly reports of (FS) & (T) were presented to the chapter; annual reports were made.	X			
7. There was separation of duties between (FS) and (T) in the receipt and disbursement of funds.	X			
8. Two appropriate signatures were required and fulfilled in payment by checks.	X			
9. Disbursements were signified by vouchers with appropriate receipts/ documentations attached.			X	For example: Expediting funds to scholarship winners, variety od voucher forms
10. Vouchers were identified by names, addresses, purpose, and signatures.	X			
11. All vouchers were numbered.	X			
12. Disbursements were made by checks. Voided checks were maintained within check book.	X			

13. Financial Secretary's and Treasurer's records could be reconciled accurately in every case.	X			
14. E-commerce disbursements had approval signatures.	X			i.e. Merchant account, Eventbrite
15. All appropriate financial transactions were made to The Links Foundation, Incorporated and were reflected in financial records.	X			

Conclusion

➤ **Findings / Recommendations section was made specifically for use by the financial officers to:**

1. Finding: Seems a lot of repetition between Quickbook system and Key Bank.
Recommendation: Since the chapter pays for Quickbook, we recommend using only Key Bank. This would fit the needs of the financial officers since Quickbook is geared more to large corporations.
2. Finding: There were inconsistencies in vouchers.
Recommendation: Have one standard voucher form to be used by all members. It could be placed online and when a member needed to request funds the form would be readily available.
Recommendation: Provide latest voucher form in monthly report mailings
3. Finding: Statements are difficult to read.
Recommendation: Provide readable and complete bank statements.
4. Finding: Difficult to review a year's worth of receipts and vouchers.
Recommend that books be reconciled by financial secretary and treasurer every 3 months (3 times per fiscal year) to make the auditing process easier to verify.

➤ **How Members Can Help with Internal Financial Control:**

1. Use official voucher form for reimbursement.
2. Complete voucher form by filling in all required information.
3. Attach original receipt/documentation to voucher.
4. Make sure vouchers are signed by 2 authorized persons (Facet/committee chair, president, treasurer).
5. Officers/Chairmen responsible for signatory of vouchers should not sign vouchers for their own expenditures.
6. Pay more attention to budget and expenditures, and make sure that any budget modification is communicated to the Financial Officers, Executive Committee, and chapter membership:
 - a. Any chairman who wishes to make changes within the committee's budget/expenditure should have approval by chapter members.
 - b. Any chapter officer who wishes to make changes within their budget allocations and expenditures should have approval by the chapter.
7. Recommend that the Tacoma (WA) Chapter develop financial policies to guide the chapter's financial business. **Examples** of policies **could** include:
Expense Reimbursement
 - a. Voucher
 - b. Receipt
 - c. Request for expense reimbursement must be submitted within 30 days of the end of the event/activity for which reimbursement is sought
 - d. Checks issued to members must be deposited or cashed within 14 days to improve cash flow and reconciliation of accounts

Approval of Large Expenditures

- e. All proposed large expenditures (>\$250) not previously approved by the chapter are subject to discussion by the chapter and rationale and alternative options are considered.

Respectfully Submitted,

Date: August 22, 2020

Christine N. Turner

Prepared for September 2020