

To: Michael Carter, District Director, and the District 28 District Council

From: District 28 Audit Committee

Date: March 25, 2018

Subject: Audit Report for July 2017 to December 2017.

Summary

The Audit Committee met on March 25 to review District 28's books for the July 2017 to December 2017 period. We followed the procedure outlined in the Toastmasters International Audit Committee Guidelines.

District 28 uses three separate financial accounts: TCF Bank for day-to-day banking activities; PayPal to handle credit card receipts (mostly for the conference), and the District Reserve, handled by Toastmasters International. The District Reserve receives a share of the member's dues payments. The District Reserve covers any purchases from the TI store. Most of the funds in the District Reserve are withdrawn and deposited to the TCF account.

The Treasurer records all bank transactions in an accounting system provided by TI. We compared the Bank statements to the reports from the TI accounting system and found them to agree. We validated that the requests for reimbursement matched the recorded transactions and that there was supporting evidence (receipts) for every payment.

In general, the District followed the TI rules regarding approvals. Checks were signed by at least two people, expense reports were approved by the District Director and or by one of the other members of the Trio as required.

Items of Concern

Previous audits found that the District has not been strictly following TI's rules. Most of the period that we audited was complete by the time of last year's audit. We found several of the same problems in this year's audit. The Treasurer assures us that all transactions since the fall conference have been in strict compliance. We will verify this.

Some specific items we noticed:

1. Mileage and personal reimbursements continue to be submitted more than 60 days after the fact.
2. We still see expenses over \$500 being approved after the fact rather than before in advance as requested. An example was the invoice for the DJ services at the conference. The invoice was submitted (without a date) and paid by the Treasurer and District Director. Inclusion in the budget does not constitute pre-approval. We expect that there may have been a contract or quote from the DJ prior to the conference for the services. If approved by the District Director, this would have been a prior-approval. This should be attached to the request in the future. Likewise, the Trio's lodging expenses at the International Conference and Training exceeded \$500. A simple email from the District Director acknowledging the members of the Trio would

be attending the conference and staying at the venue prior to the conference would handle the pre-approval.

3. We could not find the corresponding documentation to support a debit transaction for \$29.40 on Dec 12, 2017 at the USPS. The Finance Manager told us that it was for 3 books of stamps and the receipt was lost.
4. Airfare for the keynote speaker at the conference was approved by the District Director, but the check was signed by the Program Quality Director. There was no documentation to explain this. The instructions given to the Audit Committee by TI is explicit about checks being signed by the District Director, except for checks made out to the District Director. The training given to the Trio and Finance Manager appears to have been different.

And finally, the audit was delayed due to a series of health issues – the Finance Manager, his wife, and me. We were not given a copy of the December TI financial statement for the three accounts. I was informed that the reports were available, but they were not received.

TI is aware of the health issues that have delayed this report. We expect that the audit for the second half of the year will be completed closer to the required time.

Sincerely,

Brian Laskey
Chair

Joel Book
Member

Steven Miller
Member