

# 2019-2020 Mid-year Audit Report

The District Audit Committee, consisting of members Joel Book, John Fortin and Tammy Revesz, met on Sunday, February 16<sup>th</sup>, and reviewed the financial records for the first half of the year beginning July 1, 2019 and ending December 31, 2019. In general, the Finance Manager has maintained the books in good order and has been able to provide all requested documents or explain why they are not available to the satisfaction of the committee. There has been, however, an ongoing issue with lack of documented approvals for expenses paid by debit card, and to a lesser extent, by check.

There were a number of one-time issues, all of which were adequately explained:

1. An instance of a district debit card being hacked, resulting in a charge of roughly \$20 in October, which was caught and reimbursed by TCF in November.
2. Eventzilla's default payment processor for credit cards is not Paypal and must be set on a per-event basis. This was missed for one Speakers Bureau qualifier, and so two payments were processed using the default service. This was recorded using the account labeled 'Cashbox' not otherwise in use since the District Bookstore was closed.
3. Much to our surprise, one Concur reimbursement was completely processed with a required field left blank. The reimbursement was correct and supported, but approvers need to remain alert to ensure all required fields are filled in accurately.
4. Remaining inventory from the closing of the District Bookstore was not, at the time of the Audit Committee meeting, fully accounted for. The remaining inventory is still in the hands of the district and is to be disposed of in the District Conference silent auction. Lack of this inventory is delaying submission of mid-year financials.
5. TI Reserve transaction 00003733 of 12/9/2019 appears to be Toastmasters International WHQ reversing a dues deposit made in error, however no documentation regarding this was provided to the District by TI. Any review of this unexpected transaction will need to be performed at WHQ.
6. Three individual debit transactions for lodging at the International Convention and Trio Training, for the District Director, Club Growth Director and Immediate Past District Director were performed on or about 8/21/2019. Ideally, these would have been done as reimbursed expenses through Concur, but if done as debit transactions should at least have had approval by the DD, Finance Manager and either PQD or CGD documented in advance.

However, there were several ongoing issues that should be addressed in the future. These are:

1. Debit card transactions require approval in advance by the Finance Manager, District Director, and either the Program Quality Director or the Club Growth Director. In the first half of the year, approximately 15 debit card transactions were conducted without sufficient approvals in advance.
2. Additional debit card transactions for recurring expenses, such as MeetUp and GoToWebinar/LogMeIn, lacked any documented approvals by the current year's District Trio. The audit committee believes that such recurring transactions should be reviewed and re-approved, with documentation, on an annual basis.

3. PayPal deposits for Eventzilla registrations do not have a simple link when reviewed after the fact. In the first half of this year, there was only one event sign-up live at a time, and only one class of ticket for each. This is easy to sort out due to the low volume. In the second half, I expect the situation to be much more complicated. If ticket sale records (identifying who bought a ticket for what, at what price) can be retained with the financial records, this should make the audit much easier for this account, which has statements identifying who paid how much on what date.
4. While District orders to the Toastmasters Store do not appear to require (for TI to process, at least) an approval or provide a supporting confirmation document, it would be appreciated if a description of the nature of each order could be included in the financial records, to help make sure that packing slips match intended orders. It would be ideal if confirmation emails could be generated in the same manner as they are for individual members' orders. Ideally any such order over \$500 would have a record of District Director, Finance Manager, and additional Trio member approval in advance, as would be required for checks.
5. A number of checks were generated with either an insufficient number of approvals or which should have had approval in advance and lack documentation of such approval.

A list of individual debit and check transactions with insufficient documentation of approvals (by date and amount) is attached as Appendix A.

The audit committee would like to also note several commendable items:

1. Program Quality Director Bill Moylan properly submitted his travel and lodging reimbursement for the International Convention and Trio Training through Concur.
2. All reviewed Concur reimbursement requests had proper and legible supporting documents. Very few contained notes of corrections required before processing.
3. Finance Manager Brian Laskey provided extremely well-organized records to the committee, and ensured he was available during the audit to answer questions as they arose.

## Appendix A: Transactions without appropriate documented approvals:

date	amount	type	description of issue
7/9/2019	\$559.66	debit	4Imprint transaction should have had pre-approval;
			additional Trio member
7/11/2019	\$400.00	debit	Approval for entire order at >\$500 by This Year's Trio
			required; not provided
8/10/2019	\$1,920.00	chk 2546	Should have been approved in advance; check only has
			1 signature
8/10/2019	\$1,085.27	chk 2547	Should have been approved in advance; needs
			additional Trio member
8/6/2019	\$50.87	debit	Office Max printing - debit needs 2 trio in advance
8/12/2019	\$52.19	debit	Debit needs 2nd approval. Was approved in advance.
			3 Debit transactions for convention hotel. Lacking
			required advance approvals. This really should have
8/21/2019		debit	been done through concur.
9/9/2019	\$130.66	debit	Debit needs 2nd approval. Was approved in advance.
9/9/2019	\$540.00	debit	Debit needs 2nd approval. Was approved in advance.
9/19/2019	\$405.00	debit	Debit needs 2nd approval. Was approved in advance.
			Refund on Shirley's payment at Gaylord Rockies - no
9/12/2019	\$28.16	Deposit	documentation.
	\$100.00 &		Meriwether's - needs 2nd approval; went over \$500,
10/1/2019	\$441.35	Debit	needs additional Trio member
10/7/2019	\$499.74	debit	Debit needs 2nd approval. Was approved in advance.
			Debit needs 2nd approval. Was not approved in
10/7/2019	\$243.95	debit	advance that we have documentation for.
10/7/2019	\$647.50	debit	Debit needs 2nd approval. Was approved in advance.
12/2/2019	\$1,500.00	chk 2550	Need record of pre-approval
12/4/2019	\$30.00	debit	Debit needs 2nd approval. Was approved in advance.
12/30/2019	\$30.28 & \$0.91	debit	Debit needs 2nd approval. Was approved in advance.
12/16/2019	\$398.50	debit	Debit needs 2nd approval. Was approved in advance.
12/9/2019	\$405.00	debit	Debit needs 2nd approval. Was approved in advance.