



Audit Committee Guidelines

District #: 49

Circle one: Mid-year Audit or Year-end Audit

PROCEDURES TO BE COMPLETED	COMPLETED BY:
A. Organization	
<p>1. Obtain all supporting documents for the Mid-year or Year-End Profit & Loss Statement from the finance manager, and sort the documents in the following manner:</p> <ul style="list-style-type: none">• Stack #1: Sort Profit and Loss Statements, bank statements and district reserve statements into separate groups, organize in chronological order and place in one stack.• Stack #2: Sort all other supporting documents in the order they appear on the Receipt Register and Payment Register. Receipt supporting documents should be placed behind the Receipt Register, and payment supporting documents should be placed behind the Payment Register.	<i>tdf</i>
B. Substantiating Transactions	
<p>2. To ensure that all transactions are adequately supported, perform the following procedures:</p> <ul style="list-style-type: none">• Trace and match all transactions on the Receipt Register and Payment Register to their respective supporting documentation.• Place a check mark (✓) on the Receipt Register and Payment Register next to each transaction that has supporting documents. The only transactions that should not be check marked are the ones missing supporting documents.• For the transactions missing supporting documents, contact the finance manager and ask if such documents exist. If they do, request copies.	<i>tdf</i>
C. Policy Review	

PROCEDURES TO BE COMPLETED	COMPLETED BY:
<p>3. To ensure that transactions were executed within the company policies, perform the following procedures:</p> <ul style="list-style-type: none"> Review all cancelled checks and verify that they were signed by both the district director and finance manager (checks made payable to the district director or finance manager should be signed or approved in writing by the program quality director or the club growth director). Review all reimbursement requests and verify that they were approved by the district director. Ensure that all expenses on the request have adequate documentation (receipts or other supporting materials). Copies of credit card and/or bank statements are not valid receipts or documentation. Identify all payments in excess of USD \$500 and verify that each expense was properly approved by the district director and at least the program quality director or the club growth director. Any individual expense in excess of USD \$500 must be authorized in advance; there should be approval included in the supporting documentation and some indication of when the expense was approved (an email approving the expense is acceptable). Review all Debit Card transactions to ensure that all payments made by the district director were authorized in advance in writing by the finance manager and either the program quality director or the club growth director. Payments made by the finance manager must be authorized in advance by the district director and either the program quality director or the club growth director. Identify Other District Expenses (gifts, flowers, expressions of sympathy, etc.) to ensure they are not lavish or excessive and that they support the mission of the district. Tokens of appreciation are allowed up to \$25. Donations are not permitted in lieu of flowers or to any charitable fund. Review all meal expense reimbursements for District Leader August and Mid-year trainings to ensure the district director, program quality director, and club growth director were reimbursed for their meals purchased, up to \$30 a day with supporting receipts. (Meal expenses are NOT covered by a per diem.) 	<p style="text-align: center;">Kof</p>

Jeri D. Fabry
 Audit committee member signature

8/14/18
 Date

[Signature]
 Audit committee member signature

8/14/18
 Date

Walter Matherne
 Audit committee member signature

8/14/18
 Date



District 49 Audit Findings: 1/1/18 – 6/30/18 Year-End Audit

In accordance with Toastmasters International Audit Committee guidelines, the Audit Committee's role is to substantiate all disbursement and deposit transactions, review all transactions to ensure they were executed per guidelines and protocol. We found that, with a few minor exceptions, voucher reimbursement requests were properly approved, receipts were provided and transactions were recorded properly. Single expenditures greater than \$500 were properly pre-approved. Prior recommendations also appear to have been adopted.

All vouchers for disbursement issued from the First Hawaiian Bank account were reviewed. A sampling of disbursements entered in Concur were reviewed as Concur has a built-in review and approval process which is working as intended.

District 49 began transitioning to Concur in late July, 2017. Per Toastmasters International Finance, Hawaii is unique in that there is no ZBA (zero balance account) Bank of America bank to partner with so District 49 must maintain their checking account. Therefore, checks may be written from the First Hawaiian Bank account instead of being issued via Concur. A larger number of checks were written on the First Hawaiian Bank account than expected but that was due to funds running low in the District Reserve account.

The following are specific observations and recommendations:

- I. Voucher Reimbursements for single expenditure of more than \$500 or payable to the DD or FM, require approval by the PQD or CGD and require pre-approval and require 2 signatures on the Voucher for Reimbursement. One (1) Voucher for Reimbursement form did not have two signatures:
 - a. 5/14/18 Request - \$5,885.95 payable to Sodexo American LLC was missing a signature by the DD or PQD
- II. Pre-Approval of Expenditures Over \$500: There was significant improvement in the pre-approval process. There are no recommendations.
 - a. Expenses were authorized in advance of the expenditure. The Authorized Dates on the Pre-Approval of Expenditures Over \$500 form were prior to the date on the receipts and the approval dates of the Reimbursement Vouchers.
- III. Voucher for Reimbursement forms require the PQD or CGD's signature and date if the reimbursement is to the DD or FM. Two (2) Vouchers for Reimbursement forms were missing the date of the PQD's signature
 - a. 6/13/18 Request - \$95.00 issued to Rose Kirland



- b. 6/14/18 Request - \$10 issued to Sepi Holakeituai
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- IV. There was no supporting documentation provided for two (2) deposits on the First Hawaii Bank statements:
 - a. 4/16 Deposit - \$650
 - b. 5/4 Deposit - \$170

 - V. Eventbrite Direct Deposits Recommendation: Provide an easy and clear audit trail so that the Audit Committee can match Eventbrite direct deposits with the Eventbrite Transaction Report. Committee was unable to reconcile direct deposit amounts appearing on the First Hawaiian Bank Statements with the Eventbrite transaction reports.

 - VI. Check #3483 (First Hawaiian Bank account) – appears to have been voided. It was not listed on the District 49 Check Register.

 - VII. Concur Entry Discrepancies
 - a. Check #3498 was entered in system as .498. Recommend correcting entry in system if possible
 - b. Check #3506 was issued to Janet Andres but was entered in system as issued to Gloria Shishido. Recommend correcting entry in system if possible.

 - VIII. Check #3494 (First Hawaiian Bank account) – Issued 5/18/18 to DBEDT for Business Toastmasters in the amount of \$50. This transaction could not be located on the Bills Register provided to the Audit Committee. Recommend that the outgoing FM work with incoming FM to check on this and ensure it is entered into the system.

 - IX. The 3 stale-dated checks identified in previous audits were voided, replacement checks issued and cleared the bank.
 - a. The following checks were issued and did not clear the First Hawaiian Bank account by 6/30/18. Recommend that the new District 49 Auditor validate that these checks clear in order to avoid stale-dated checks in the next year,
 - i. 6/13/18 Request: Mark Walsh, \$95.52
 - ii. 6/16/18 Request: Gloria Shishido, \$32.41
 - iii. 6/28/18 Request: Nicole Rodwell, \$73.13
 - iv. 6/29/18 Request: Jicky Ferrer, \$166.31
 - v. 6/29/18 Request: Joy Frelinger, \$60.61



- X. The District is to retain, at year-end, a minimum balance equal to 25% of estimated membership revenue. Per Toastmasters International Finance, this minimum balance of \$7,464 is the sum of funds in the First Hawaiian Bank and Toastmasters International District Reserve. The balance at year-end in the First Hawaiian Bank and District Reserve is \$9,891.55, which exceeds the minimum.

Respectfully Submitted,

Teri D. Fabry
Ramy Ng
Walter Malterre

Audit Committee
(Teri Fabry, Ramy Ng, Walter Malterre)