

AUDIT REPORT 2018

Because of a change in the Club Treasurer the Bylaws required that a fiscal audit be performed. The Audit Chairman is Nick Wenri, Director with inputs provided by Roger Fujii, the new Treasurer and Mel Mikosinski, Membership Chair and 2nd VP.

Mel M. provided a detailed Sub-Audit report covering PATACS deposits for FY 2018 which is provided as an attachment to this report

For the audit period (FY 2018 – Oct 2017 thru Sept 2018) the following areas were reviewed with comments:

Checks Issued-

A FY 2017 check cleared (listed in the Oct 2017 Capital One Account Summary) Check 2139 \$64.97

All FY 2018 Checks were recorded in agreement with Capital One Account Summaries, except for the following:

A. Two checks (2163-\$598.90 and 2165-\$67.25) were issued but have not cleared by the end of the FY.

B. One check #2164 was not in the PATACS reports. No note as to why it was skipped.

Transactions -

Deposits - (Capital One Account) Bank statements agree with PATACS Revenue Files and associated Membership Payment Receipts and Deposit Slips. Amazon income was via direct deposit and is noted in the PATACS Revenue Files. Pizza SIG income was noted on file cards and incorporated into the deposit slips for the account. In addition, see Mel Mikosinski's Sub-Audit report (attached).

Expenses – With the following exception, all account withdrawals were accomplished via Issued checks with the appropriate Check Authorization Forms including two authorizing signatures. Check 2165 had a copy of an authorization form with only one approval signature and copy of the check with a single signature. Since it is understood that PATACS issued checks require two signatures, it is assumed that the check is “in process” and both the check and authorization form will have two signatures prior to issuance.

Other Accounts-

PATACS has two Certificate of Deposit accounts and a Cash Reserve checking account. The only FY activity in the accounts was accumulation of interest in the CD accounts which increased their amounts by \$7.00 and \$8.00. There was no change to the non-interest Cash Reserve account.

Audit Findings

There were no inconsistencies found between the Treasurer's records and bank statements and all transactions were in accord with the club's by-laws. There was one check (#2164 PATACS Operating Fund Account) that was missing with no associated expense report nor indication of it being cashed during the Fiscal year and will be assumed destroyed unless it appears in a future bank statement. Do we need to formulize a reporting procedure for why an out of sequence check is missing/destroyed?

During the audit process there was one minor noted in the PATACS generated financial data. A typo error was noted in the PATACS Revenue data for 6/25/18 Deposits: The Pizza Sig deposit was listed as PSIB, 6/16 and should be PSIG 6/6. (Typo and wrong date.)

Nick Wenri – Director & 2018 Audit Chair

Attachments:

FY-18 Sub-Audit report covering PATACS DEPOSITS. (From Mel Mikosinski

This special audit report only covers PATACS deposits

Date Jan 4, 2019

I: The purpose of this special sub-audit report is to document the details of a PATACS audit concerning Checking and CD deposits. Normally the PATACS audits are done every two FY years, but due to the transfer of the Treasurer duties to a new person a special FY18 PATACS deposits audit is required.

II: The PATACS Post Office (PO) Excel report (membership payment records) maintained by the Membership Chair uses the following reporting elements:

- Individual PATACS Member details plus paid dues and donations.
- Pizza Sig meeting donations.
- Amazon monthly commission payments.
- Checking Accounts interest payments for two checking accounts and two CD accounts.

Monthly Summary Total lines as follows:

- Level 1 = Monthly Treasurer's deposit totals.
- Level 2 = Monthly bank deposit collection totals (For auditor use).
- Level 3 = Running Treasurer Cash Flow quicken totals (For monthly comparison with the Treasurer's monthly Cash Flow Quicken report).

III: The monthly Capital One bank statements use the following formats:

- **Account Summary:** The summary totals for the monthly deposits/credits, checks/debits, balances, and interest rewards.
- **Account Detail:** The individual checks/debits and deposit transactions breach down of the account monthly summary information.

IV: The PATACS deposits audit procedure uses a summary totals (Bank Statements vs. PATACS PO Excel report or the Quicken OPR Deposit Records) match concept is as follows:

- Step 1 = Each month's deposit totals (Bank Statement's account summary vs. PATACS PO Excel report's summary level 2 or Quicken OPR Deposit sub-totals) are compared. If the deposit numbers do not match step 2 is executed.
- Step 2 = Daily monthly deposit totals (bank statement's account details vs. various PATACS PO Excel report's details or summary totals) are compared. If the deposit numbers do not match step 3 is executed.
- Step 3 = A special month's detail deposit Quicken report is requested from the Treasurer. Detail lines entries are compared between the special Quicken Treasurer Report vs. the PATACS PO Excel report to resolve any bank statement summary totals issues.

V: The detailed results of the FY18 PATACS deposits matching audits are as follows:

1. The FY18 Operating (OPR) Bank Statements file (attachment 1) versus the FY18 PO Excel report file (attachment 2) were audited using an audit marking system in **Red** as follows: Oct18= (**Oct**), Nov18= (**Nov**), Dec18= (**Dec**), Jan18= (**Jan**), Feb18= (**Feb**), Mar18= (**Mar**), Apr18= (**Apr**), May18= (**May**), Jun18= (**Jun**), Jul18= (**Jul**), Aug=18 (**Aug**), Sept18= (**Sept**).

a. No major Treasurer's deposit issues were found during the steps 1 & 2 audit between the FY18 OPR Bank Statements file and the FY18 PO Excel report file. **The only Minor issue found was that the Feb 2018 receipts were found to be deposited in the bank during the March 2019 time period**

2.. The FY18 Operating (OPR) Bank Statements file (attachment 1) versus the FY18 Quicken OPR Deposit Records file (attachment 3) were audited using an audit marking system in **Blue** as follows:

Oct17= (**Oct**), Nov17= (**Nov**), Dec17= (**Dec**), Jan18= (**Jan**), Feb18= (**Feb**), Mar18= (**Mar**), Apr18= (**Apr**), May18= (**May**), Jun=18 (**Jun**), Jul18= (**Jul**), Aug18= (**Aug**), Sept18= (**Sept**)

a. No major Treasurer's deposit issues were found during the step 2 audit between the FY18 OPR Bank Statements file and the FY18 Quicken OPR Deposit Records file report file.

3. The FY18 Cash Reserve (CR) Bank Statements file (attachment 4) had no activity from 30 September 2017 to 30 September 2018.

VI: Final FY18 Audit Results and Recommendations.

1. No major deposit issues were found during this special FY18 PATACS deposit audit.

Mel Mikosinski (Membership Chair and 2nd VP)

4 Attachments

1. FY18 OPR Bank Statements.pdf
2. FY18 PATACS PO Excel Records.pdf
3. FY18 OPR Quicken Deposit Records.pdf
4. FY18 CR Bank Statements.pdf

Attachments deleted (proprietary / personally identifiable information)