Audit Report of the NCWSA 2018 Books  
January 26, 2019

The NCWSA Audit Committee met on January 26, 2019 and reviewed the financial transactions for 2018.

The Treasurer provided the financial files for review and answered questions, but did not choose the samples that were reviewed. Following is a synopsis of what was reviewed and the findings.

- The bank statements are reconciled for all accounts with multiple uncleared transactions which need to be researched. At year-end, balances were $7,662.74 for the checking account, $17,094.09 for the Money Market savings account, $17,172.82 for the CD Reserve Fund accounts, 39,212.96 for the Wells Fargo savings account and $10,707.93 for the “Pink Can” checking account.
- The Committee reviewed 7 deposits randomly selected from 35 deposits made to the Operating (Citibank checking) account and 12 randomly selected from the Wells Fargo savings account deposits of 41. The documentation was mostly complete and well organized but there were at least two deposits made without copies made of the checks deposited.
- We chose to review one of every ten checks chosen randomly of the 281 checks written on the Operating checking account for 31 checks reviewed, finding two signatures on all checks reviewed and very few missing receipts and small posting errors with date typos. Account numbers were not always noted on documentation for easy reference.
- There were a total of 67 Journal Entries and 10 were selected and reviewed. Very little or no documentation was kept or printed regarding journal entries and several were incorrect or duplicated transactions and some needed adjustment.
- There were a total of 32 Debit Card Transactions logged. 6 items had no documentation in the file.
- There were five “cash advances” made during the year. All were cleared with 2 missing documentation from the file.
- For the “Pink Can” account, we reviewed 21 of the 23 checks written. Two checks had no documentation and some dates were not posted accurately. 26 deposits were made and we randomly chose one per month to review for a total of 12. 1 deposit had no documentation and dates were posted incorrectly.
- For the “NoCAC accounts, we reviewed 11 of the 38 checks written and found errors or incomplete or missing support documentation in 75% of the checks written. 20 deposits were made and only one had support documentation. Each deposit had a bank receipt but not details for support. Only about 25% of all the checks had the proper support documentation on file. NoCAC struggled to have a Treasurer all year with a couple Treasurer’s and finally had someone trained and logged the transactions in the spreadsheet. Bank accounts were not reconciled by NoCAC and later reconciled by the NCWSA Treasurer and reviewed by the Budget Chair. Accounts are all in balance with the register with an unreconciled adjustment made to the Operating account. It was
noted that it is important to watch that checks deposited with a mobile app could be duplicated by the bank. Despite the fact that the Area Treasurer and Area Alateen Coordinator worked closely with the NoCAC committee, it is important that the Sponsors work closer with the Chair and Co-Chair and Treasurer to assure that documentation is required for checks and deposits and financial information is accounted for properly and timely.

Findings and recommendations:

- The year-end reconciled balances differed from the draft Treasurer’s Balance Sheet due to uncleared transactions errors or duplicate transactions. Material differences were found and corrected. Small Journal entries need some further investigation and correction.
- Recommend that the Treasurer make changes on how notations of accounts are made on all posting documentation for easier cross reference; change accounting for journals, voids and transfers to more accurately account for changes and avoid duplicate transactions and reconcile uncleared transactions monthly.
- Recommend continued work with Financial Assistants to organize their documentation better. We request that the Executive Committee, when interviewing Financial Assistants, mention the audit process and ask Financial Assistants to be kind to their auditors by providing clear, legible, well-ordered documentation.
- Recommend that the Treasurer continue to meet quarterly with the NoCAC Treasurer; and Co-Chair and Co-Sponsor to review the deposit process and documentation needed for T-shirts sold and stress that support documentation for checks written and deposits made is required and not optional.
- Due to the volume of transactions and technical accounting required for journal entries, it is recommended that the Treasurer consider adding an additional financial assistance with expertise or hire a bookkeeper to assist with some of the more complex accounting. It’s a lot of work for one person and we are grateful that the Treasurer is willing to learn and has done a great job!

A copy of the full audit will be sent to the Corporate Records.
Grateful that we have willing volunteers to help us be financially accountable!
Respectfully submitted,
Chris M., Alternate Delegate.