

# **REPORT OF FINANCIAL AUDIT**

**November 7, 2014**

For the Period  
July 1, 2013 through June 30, 2014

LEAGUE OF WOMEN VOTERS OF  
SAN LUIS OBISPO COUNTY

## **INTRODUCTION AND SUMMARY**

This audit of the finances of the LWVSLO is in accordance with Article IX, Section 5 of the Bylaws entitled, "Financial Reviews and Audits." The ad hoc audit committee comprised Marlys McPherson (Chair) and members Pati Dale and Anne Riswold. The audit took place at the home of Mary Beth Armstrong, Treasurer. We present this report to the Board of Directors.

The objectives of the Audit were to:

1. Confirm that the financial statements as of June 30, 2014 fairly reflect the financial condition of LWVSLO and are prepared in accordance with generally accepted accounting principles.
2. Recommend actions to improve the procedures and processes used to conduct and report on the financial operations of the League.

Following is a summary of the Results:

1. The financial records delivered to the audit committee were judged to be in excellent condition and well organized.
2. The financial records as of June 30, 2014 were judged to fairly represent the financial position of the organization.
3. The committee's recommendations appear at the end of this document. This report also includes comments about the recommendations from the previous audit (ending in 2013).

## **PROCESS AND RESULTS**

### ***PROCESS***

The committee conferred via telephone and email to determine which financial records to examine and the auditing process to be used. At the meeting at the Treasurer's home the committee examined 27% of General Ledger entries. The entries chosen for audit were selected at random. Efforts were made to ensure that large items were included as well as split deposits (a single deposit comprising checks for more than one account category). General Journal entries correcting for posting errors were also examined. In addition, all files documenting Education Fund entries and PMP payments to State and National LWV were examined.

A draft of the final report was reviewed and edited by all members of the committee.

## **RESULTS**

The audit committee found the following:

1. Almost all examined items in the General Ledger were posted in a timely manner. All of the checks and deposits were photocopied and found in the Treasurer's files. Only one check (2390) was not photocopied, but the check was verified in the checking account statement and included in the ledger. Copies of checks were made when received with the documentation for the checks. Copies were also made when deposited and the identification of the income account(s) posted.
2. One quarter's interest on the savings account was not posted (for June 30, 2014). The Treasurer reports that the bank statement was not received in time. Therefore, the interest should be posted to this fiscal year. However, the interest earned each quarter on the savings account is less than \$1, so the balance sheet is not materially affected.
3. All of the photocopied checks for state and national PMP and the LWVC Education fund were examined and found to be present in their respective files and posted correctly in the General Ledger.
4. The committee verified that recommendations in the "Report of Financial Audit," dated September 10, 2013 were implemented.

## **RECOMMENDATIONS**

The following recommendations are for the improvement in the procedures used by the Treasurer and the LWV San Luis Obispo County League. The recommendations requiring consideration and action by the Board are listed as GENERAL. Recommendations that require action by the Treasurer are listed under TREASURER.

### **GENERAL**

1. We recommend that the Board approve the additional expense of ordering checks from Quick Books to be used by the Treasurer in place of hand-written checks (see below).

### **TREASURER**

1. Currently the Treasurer writes checks by hand, photocopies the checks, and then posts the information in Quick Books. A more efficient method for writing checks, which also reduces the possibility of errors, is to use checks printed by Quick Books and write them on the computer. This eliminates the need to photocopy the checks (all information about the transaction is already in Quick Books) and reduces the potential for errors. Photocopies of all cancelled checks are returned with the bank statements. We recommend that the Treasurer switch to using the Quick Book checks when it is time to order more checks.