

Society of Creative Anachronism Ltd – The Shire of Borderscros (Albury/Wodonga/Wagga)

The main controls which were identified are listed below under the document they are found within.

1) SCA Ltd Financial policy

- 8.3.1 – Lists who can be cheque signatories. There cannot be two that reside at the same address.
- 8.4.1 – The Reeve is to reconcile bank accounts on a regular basis.
- 8.5.3 – Expenses must be approved by two people prior to being made. Usually but not limited to the Branch Reeve and the Branch Seneschal.
- 8.5.3.2 – Cash floats for events must have prior approval and must be reconciled until returned.
- 8.6.1 – There must be appropriate cash controls at events.

2) SCA Ltd Constitution

This is most useful for conduct of meetings and acceptance of members. It lists requirements for recording of minutes, accepting and ceasing of memberships and board members.

3) Draft Reeves Handbook

- Cash and cheques must be deposited within the bank account on a timely basis. For cheques this is within 30 days.
- Deposit book must detail and break up cheques and cash received to help with recording.
- Two signatures are required on each cheque.
- Bank accounts must be reconciled monthly.
- A pre-approved budget must be presented and approved for each event.
- After each event the 'Standard Event Reporting Form' must be filled in.
- Money received from events must be banked within 30 days.

4) Asset Policy

- Assets over \$300 and expected to last more than a year are to be treated as assets.
- Assets over \$2,000 must be approved by the Board before purchase
- A written list of all assets must be kept.
- Assets costing over \$5,000 must be insured.

Based on these identified controls we have reviewed the records provided to us and come up with the following documented results and conclusions.

Minutes review

Minutes of the meeting held 9/3/2013 were not signed. The specified next meeting was 14/4/2013 however there were no minutes for this meeting provided.

Minutes of the meeting held 8/9/2013 were signed however the next meeting was not documented.

Minutes of the meeting held 21/6/2014 noted Nikki Wilson (Reeve) stepped down and Julie Willis was nominated. Rhonda Drewe (Seneschal) stepped down.

Conclusion:

- Minutes are not always being signed
- Minutes in March stated the next meeting date in April but there were no minutes for this meeting
- Missing the minutes for any meetings that occurred from March 2013 to September 2013.
- Minutes don't always acknowledge or accept the previous minutes as being true and correct. Therefore they don't document when the previous meeting was.
- Minutes were in various formats and not consistent in what they recorded i.e. some document the location of the meetings, some didn't.

Recommendation:

- Minutes should always be signed as true and correct at the proceeding meeting
- This should be documented in the minutes of the proceeding meeting including documenting the date of the preceding meeting that the minutes are being ratified for in case a meeting is not held in a month due to a lack of quorum. This will help track if any minutes are missing.

Review of quarterly accounts

- No monthly bank reconciliations appear to be happening as per the Draft Reeves Handbook. Recommend these take place and are signed and dated by the preparer and the reviewer.

April 13 – June 13

- No date showing the date the reconciliation is prepared.
- Not signed as correct, reviewed or authorised
- No indication that expenses were approved by two members prior to being incurred
- Cheque for \$2,544 presented to bank, no invoice and not on expense listing (may have been recorded in previous quarter)
- Receipts not written up in order. Receipt numbers #6918629 to #6918632 are for September 2013 while #6918633 onwards is for April 2013
- Cant reconcile income per event summaries to what is carried forward as unbanked and what was banked
- No sign in sheets for events. Income could not be tested for completeness

July 2013 – September 2013

- No date showing the date the reconciliation is prepared.
- Not signed as correct, reviewed or authorised.
- No indication the expenses were approved by two members prior to being incurred.
- No receipt for Vig & Anora payments made monthly from transfer from bank account, why recorded in cash on hand?
- Receipts in receipt book for July Bash add to \$122, event summary income is \$116.
- No sign in sheets for August and September events. Income could not be tested for completeness for these months. July event summary and sign in sheet agree.
- No receipts after 7/8/2013

October 2013 – December 2013

- No date showing the date the reconciliation is prepared.
- Not signed as correct, reviewed or authorised.
- No indication the expenses were approved by two members prior to being incurred.
- No receipt for Vig & Anora payments made monthly, November & December paid twice, also recorded in cash on hand.
- No receipts for event income or invoices for event expenses
- Number of member charges on October event summary adds to 46 however there is only 45 names on member sign in.
- Request to participate for non-members forms attached for October but not any other month of the year. These include name, address, activities permitted, signature and witness signature.

January 2014 – March 2014

- No date showing the date the reconciliation is prepared.
- Not signed as correct, reviewed or authorised.
- No indication the expenses were approved by two members prior to being incurred.
- No receipt for Vig & Anora payments made monthly, November & December paid twice, also recorded in cash on hand.
- Event summary not dated.
- Number of member charges on event summary adds to 75 however there is only 67 names on member sign in
- No receipts for event income
- Cant reconcile income per event summaries to what is carried forward as unbanked and what was banked

April 2014 – May 2014

- No date showing the date the reconciliation is prepared.
- Not signed as correct, reviewed or authorised.
- No indication the expenses were approved by two members prior to being incurred.
- No receipt for Vig & Anora payments made monthly, November & December paid twice, also recorded in cash on hand.
- Cannot trace hall rental fee to bank or cash on hand statement
- No sign in sheet for April. Income could not be tested for completeness

- May sign in sheet was completed on blank paper, not sign in form
- No receipts/invoices for event income
- Unbanked cash of \$60.90 could not be traced to subsequent bank statement to ensure monies had been deposited into the new Westpac account to be opened.

Issues/recommendations

- Bank reconciliations should be being prepared monthly.
- Missing invoices on occasion for expenses paid out. We recommend that invoices are retained for all expenses or written explanation as to why documentation is not available be provided and retained.
- Could not test for completeness of income as not all events had a sign in sheet that was reconciled to the banking. We recommend for every event the sign in sheet is retained and reconciled to the event takings. In addition, a Standard Event Reporting Form should be completed by the Steward of each event. Receipts should be issued for all income received.
- Of the events where receipts were issued, two of the three events had receipts greater than that reported in the Financial Statements.
- Could not test the promptness of banking cash as receipts were not always written up. A number of events occurred in the 15 months under review and only two bankings were made during this period which indicates banking may not have been processed on a timely basis. We noted \$60.90 of unbanked cash had not been banked at 30 June 2014. We were not able to follow up on subsequent banking of this deposit.
- No pre-approved budgets were filed with event sheets to show events were budgeted for and expenditure was allowed.
- No indication that invoices are being pre-approved or subsequently approved once payment is made. We recommended a signature and date of the meeting that the expense was approved is placed on each invoice as evidence the expense was approved.
- A cash control document should be developed and circulated for events
- No deposit book is maintained for bankings. A deposit book should be used and should detail the particulars of each deposit.
- There is not an update asset register. The last asset register is from 2010. We recommend a full asset stock take is performed and an asset register is developed and maintained monthly.
- We were unable to determine what the direct deposits notated as "Vig Monthly Fees" on the bank statements represented. We recommend further internal investigation as to the nature of these transactions takes place so income can be correctly reported.

Should you require any further information on the above matters please do not hesitate to contact our office.

Yours faithfully,

Twomeys National Audit Pty Ltd
Authorised Audit Company



Steven Watson
Director