

Delta Sigma Theta Sorority, Inc. – Saginaw Alumnae Chapter
Internal Audit Committee Report
1st Quarter – For the Period July 1, 2018 – September 30, 2018

1Q19 Audit Report Summary

The Internal Audit Committee completed an initial review of the financial records of Saginaw Alumnae Chapter of Delta Sigma Theta Sorority, Inc. on November 20, 2018, for the period July 1, 2018 to September 30, 2018. The review included a 25% validation of disbursements, a 50% validation of receipts / deposits, a 1000% validation of PayPal transactions and a 100% validation of membership dues/information.

The chapter has policies and procedures and a financial handbook that details the financial operations of the chapter. This is a living document that the financial officers has mostly adhered to. This was the first year that the chapter had Eventbrite and PayPal and more updates are needed within the Financial Handbook.

No loss of the financial assets exists, and good fiscal controls were used during the period of review. After review by the Chapter Internal Audit Committee, it has been determined that the chapter has satisfactory financial internal controls and the review supports the existence and utilization of said controls.

Findings:

1. Deposits are not being made in accordance with the sorority requirements of 2 business days from receipt of funds.
2. Deposit dates in the computer do not correspond with written receipt dates.
3. Deposits cannot be directly traced from the bank statement to the financial reports.
4. Bank reconciliations are not being performed in a timely manner.
5. Bank withdrawal for starting cash for the Thelma Poston Golf Classic did not have two required signatures.

Recommendations:

Provide the Internal Audit Committee with the following documents, organized in a notebook:

1. Bank statements by account
2. Bank reconciliations by account
3. Check Registers
4. Balance Sheet
5. Deposit Reports
6. Profit and Loss budget to actual - Summary and Details
7. Vouchers
8. Transfers
9. Cash Advances and Petty Cash
10. Voided Checks
11. Receipts (Financial Secretary's copy)
12. General Journal Entry documentation
13. Notes with any exceptions or concerns
14. Previous audit comments updates
15. Provide access to cancelled checks to allow for 2 signature review
16. Provide minutes from meeting where budget was approved and/or amended

Financial Handbook updates needed:

1. Petty Cash
2. Eventbrite and PayPal

Respectfully Submitted,

Kujuanna Ray
Internal Audit Chair
Saginaw Alumnae Chapter
Delta Sigma Theta Sorority, Inc.