

# National Capital Technology and Computer User's Group, Inc. (NCTCUG) Audit Review 2010—2011

An audit review of NCTUG's financial records for the fiscal years 2010 and 2011 was conducted on November 21, 2011 at Carlin Hall. The fiscal year runs from October 1<sup>st</sup> through September 30<sup>th</sup>. The review committee consisted of the following members.

Jim Rhodes, President  
Roger Fuji, Director  
Ron Schmidt, Vice President  
Mel Mikosinski, Director  
Nick Wenri, Director & Audit Chairman

Paul Howard, Treasurer, was available at the meeting to answer questions for the Committee about transactions and financial records that arose during the audit. (Ron Schmidt, Vice President (who approves most NCTCUG financial transactions in his role as chairman of the Financial Oversight Committee and group purchasing agent) did assist in the auditing deposit records that did not involve any expenditure approvals.

The committee was divided into groups to check the records of REVENUES, EXPENSES, and RECONCILIATION OF BANK AND CLUB RECORDS

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## REVENUES

All revenues are recorded in NCTUG's Quicken files and deposited in our Capital One Bank\* checking account. The Quicken files for fiscal 2010 and 2011 were verified as in agreement with the bank deposit records. Dues and donation revenues received, as noted in the "Post Office Files", were verified against Quicken files and Capital One Bank\* deposit slips and statements.

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## DISBURSEMENTS

To review disbursements, all checks for the audit period listed in Quicken records were compared with bank statements and verified that disbursement authorization forms were completed for each transaction, including invoices.

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## RECONCILIATION OF NCTUG AND BANK RECORDS

Bank statements, check book ledger, and the Quicken Records were found to be in agreement. The Certificates of Deposit were checked to ensure that they matched both the club and bank records.

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## DEFFICIENCIES

In the review of the checking records the following was noted:

1. The expenditure approval document and the quicken records did not agree on the first two check expenditures for the year. The check approval amounts were substantially more than the expenditure amount shown in the Quicken records. This was because the check amount included expenditures that were in the previous fiscal year.
2. Bank records were not available directly showing all interest income received on the clubs certificates of deposit during the audit period. Interest payments were reported in the Quicken records which were, in such instances, calculated by comparing monthly account balances. (The interest income was \$22.53 total for the two fiscal years.)
3. There were a number of cash donations and checks that were listed in the Quicken records, but did not have accompanying PO file documentation. There were a few instances in the REVENUES//DUES and DONREV and a larger amount in CASH/DON/PIZZASIG.
4. There was one entry in the Quicken records listed as dues revenue that was actually a cash donation.
5. There were four noted instances where the check number did not agree between the PO file and the outlook data on (REVENUES/DUES).

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## Recommendations

The lack of discrete listings for periodic interest postings for the Club's savings certificates is a minor issue, and was probably caused by changes in bank procedures when changing ownership of the bank. There were a few typographical/dyslexic errors in entering check numbers in the Quicken data. The most significant deficiency was the lack of PO file data or other documentation supporting the income from membership dues/donations and Pizza Sig cash donations in several instances. The matter should be discussed at a club board meeting and perhaps modifications to the current procedures for tracking these informal income streams should be adopted.

\*During the period covered by the audit (Sept 2010 to August 2011) NCTCUG accounts were with the Chevy Chase Bank which was taken over by Capital One Bank resulting in changes in the account reporting for checking and savings certificate accounts.

Re-Submitted 12/22/2011 (Clarification of Deficiency #2)



Nick Wenri