



District 55 Audit Committee Report December 31, 2019

The Audit Committee consists of 3 members including Chairperson Pennie Gopinath, member Royce Groff, and member Daniel Garces. In preparation for and during the audit, the Audit committee met with District 55 Finance Manager Dawn Trenholm-Colvin on multiple occasions to discuss and review District 55 finances. This year has been challenging since Keng Chester, the Finance Manager appointed on July 1, 2019, vacated the assignment after only a couple of months and Dawn graciously took the Finance Manager position and diligently went to work to pick up the finances and get them in order. Dawn has done a nice job of organizing the finances and supporting documentation and helping to track down missing artifacts when necessary. The Audit Committee did not meet with former Finance Manager Keng Chester during the audit process.

It should be noted that the Audit committee took into consideration both Toastmasters International policies and procedures, as well as District 55 supplemental policies and procedures when performing the audit.

The District 55 financial documentation is fully electronic and found on the D55 Google Shared Drive, which can be found at the following link [D55 Budget](#). In addition to documents on the google drive, there are expense receipts and supporting documents within the Concur Expense system. The Concur Expense system was reviewed for all expenses submitted between July 1, 2019 and December 31, 2019. General findings include some instances of missing pre-approval documentation, incorrect reimbursements for sales tax, missing evidence of a travel mileage map, incorrect mileage reimbursement, and sometimes insufficient comments to support the expense. More specific findings are shared later in this report.

The Audit committee reviewed monthly Profit & Loss statements, bank statements, monthly reports, and monthly check registers to assure that District income and expenses were accurate. We found the district finances to be in good order for July through December. The Audit committee would like to recognize and appreciate that the District Director Wafae Owen and Finance Manager Dawn Trenholm-Colvin have done a nice job of finding issues or discrepancies and correcting them during their review and approval process, well ahead of audit finding the issues. The evidence of their interception of issues can be found in expense comments.

The Audit Committee has the following detailed findings for the transactions that occurred between July 1, 2019 and December 31, 2019.

1. October Bills register was missing
2. Single expenses in excess of \$500 without pre-approval evidence:
 - a. D55 DEC mtg. & Officer Training - single expense of \$753.86
 - b. AD and DD Contest Trophies - single expense of \$1113.00
 - c. December Expenses (12/01/2019) - single expense of \$690.30
 - d. Marketing & DEC Meeting - several single expenses over \$500
 - e. September Expenses (09/01/2019) - single expense of \$700
3. In general, there were instances where expense Reports were submitted for travel mileage reimbursement that 'appeared' to be out of policy but actually were not out of policy. Reports did not have adequate notes to provide the necessary context. To be more specific, mileage reimbursement request was submitted and there were no notes indicating multiple people road together, which changed the reimbursement percentage from 75% to 100%. Recommendation: Submitter should provide detailed notes of the passengers traveling with them.

4. District Officers received a [mileage reimbursement adjustment letter](#) from Toastmaster International District Finance Team dated 30 Aug 2019, which stated that the IRS Standard *Business* rate of \$.58/mile could be used until 16 Oct 2019. It also clearly stated that from 17 Oct 2019 forward the IRS Standard *Charitable* mileage rate of \$.14/mile should be used. The Audit Committee was unaware of this change and performed the first pass of the audit considering only the current policy of \$.14/mile for mileage reimbursements. Initial Audit pass was completed without knowledge of the adjustment, causing confusion and additional effort to revisit all expense reports with this new adjustment in mind. Recommendation: All such adjustments or policy changes should be communicated to the Audit Committee and evidence placed on the google drive under the "Exceptions" folder for reference.
5. Expense Report by Club Growth Director "International Convention" over-reimbursed by \$4.48. Reimbursement request for food on 8/21 for \$29.53, but receipts showed \$25.39, In addition, Sales tax in the amount of \$.34 for a transaction on 8/19 was requested and incorrectly reimbursed.
6. Expense report "TM D55 Incoming Officer Training" requested and received mileage reimbursement for \$31.32 without including a map which is required per policy.
7. Expense Report by Club Growth Director "Marketing Trip to Corpus Christi" over-reimbursed by \$10.33 for lodging. 2 nights paid \$310.33, which is over policy of \$150/day.
8. Expense report by District Director "November Expenses (11/01/2019)" requested and received reimbursement for sales tax in the amount of \$11.88. Recommendation: District Director will send Weebly Tax Exempt form and request reimbursement of the tax paid.
9. Expense Report by Club Growth Director "Postage and Maps" requested and received reimbursement for sales tax in the amount of \$2.40. Recommendation: Club Growth Director repay district the \$2.40 tax.
10. Expense Report by Club Growth Director "Regional Advisor Visit" did not provide notes stating the name of the person staying in the hotel (Violetta Rios) and Audit Committee assumed it was the guest name on the hotel receipt, which was K. Moore, Club Growth Director. The fact that the hotel was less than four miles from Club Growth Directors home, the Audit Committee found this to initially be in violation of the travel policy that states hotel is reimbursed when over 200 miles away. Further conversation cleared the misunderstanding. Recommendation: Update expense notes to clearly state hotel guest and in the future assure clear notes are entered in the report, as well as assuring hotel receipt states name of actual hotel guest.
11. It appears that there was frustration among users of the Concur system. Perhaps the system is malfunctioning, and the issue needs to be reported to Concur, or perhaps user training is required. The following comments are a sample of the frustration and negative comments found in the expense comments.
 - a. "I have entered these comments 3 times. Why do they keep disappearing out of Concur?"
 - b. "... to assure that this expense report does not come back for the 7th time."
 - c. "PLEASE DO NOT RETURN THIS EXPENSE REPORT AGAIN! THIS IS THE 9TH TIME I HAVE RE-SUBMITTED IT. EVERYTHING IS CORRECT AND IT IS IN FACT A FEW \$\$\$ DIFFERENT THAN THE VERY FIRST ONE I SUBMITTED."
 - d. The Audit Committee was made aware of misclassifications of expenses that the District Director is working directly with Toastmaster International District Finance Team to resolve.

The Audit Committee has the following forward-looking suggestions and recommendations.

1. Better familiarity with the travel and expense policies by District Officers submitting reports will reduce Audit findings and speed up the District Director and Finance Manager's review process. Confirmation of the 2020 IRS Standard Charitable rates will be useful. This will ultimately provide more expedient expense reimbursements.
Recommendation: Policy and Procedure training for new District Officers early in the new term.

2. Policy changes or exceptions by TI or the District should be clearly noted and known by Audit committee.
Recommendation: All such adjustments or policy changes should be communicated to the Audit Committee and evidence placed on the google drive under the “Exceptions” folder for reference.
3. Files are not consistently named, and this causes confusion. For instance, some folders used payment receipt and bill receipt and other folders would use payment register and receipt registrar.
Recommendation: Consistently use the terms that match the Audit guideline of Receipt Register and Payment Register.
4. It appears that there was frustration among users of the Concur system, which was noted in item 12 above. It is recommended that Concur be contacted if there are system malfunctions. It is recommended that Concur training be provided if user error. Also, it is recommended that people are respectful of those who they interact with in this process and tone down the negative comments.

Respectfully submitted by the Audit Committee to the District Director.

Chairperson Pennie Gopinath
Audit member Royce Groff
Audit member Daniel Garces