

September 22, 2022

Toastmasters International
Attn: District Finance
9127 S. Jamaica St., Suite 400
Englewood, CO 80112

Re: District 58 Year-end Audit – 2021/2022

To whom it may concern,

The audit committee for District 58 has completed the year-end audit, as per the audit committee guidelines provided by Toastmasters International. Based on the financial reports provided by District 58 leadership, the audit committee believes, with the exception of one discrepancy identified during the audit, that the District has followed proper Toastmaster's policy and procedures in preparation of the year-end financial reports. From time to time the audit processes also offers an opportunity for the audit committee to make recommendations to improve existing District policies and procedures. As such, two opportunities were identified during the audit to enhance District financial controls or record keeping.

Discrepancy:

- I. Toastmaster's policy requires all District checks to be signed by both the District Director and Finance Manager. We identified one check, check # 2825 for \$1,000, that was signed only by the finance manager. Although the check lacked the proper dual signatures, the audit team was able to verify that the expense received proper District approval from the necessary parties.

Recommendations:

- I. Several Vouchers for Reimbursement appear to have been prepared by the District Director using a pre-signed form showing approval by the Club Growth Director. This was identified because the date in which the Club Growth Director signed multiple forms was shown as 4/30/2022, yet the expense was not incurred until May or June 2022. For the 2022 year-end audit, the Club Growth Director was able to verify via email that he did indeed approve these purchases, so no audit discrepancies were found. None the less, to ensure proper dual approval controls, the Club Growth Director or Program Quality Director should approve each reimbursement separately and pre-signed forms should not be used.
- II. During the 2022 Year-end audit, five deposits were made into the District bank account from the District Director's personal bank account. According to the District Director, these represented funds she collected for Conference Sponsorships, Donations, or Ads from conference attendees. The money for these activities was first collected using the District Director's personal online payment account (such as Paypal, Venmo, CashApp, etc) and deposited in the District Director's personal bank account. Because a personal account was used, the scope of the audit does not allow us to verify the source of all district funds. To avoid the mingling of personal and District funds, the District should setup online payment accounts (such as Paypal, Venmo, CashApp, etc) that are tied directly to the District's bank accounts. This will allow the District to ensure all contributions, ads,

and sponsorships paid to the District are received in a timely manner and provide confirmation to the payor that their funds were received by the District.

No additional discrepancies or corrective actions were identified by the audit committee.

Mark Stacy, Audit Committee Chair

Mark Stacy
Audit Committee Chair
District 58