**ANNUAL REPORT SUMMARY**

**of the**

**2019 JOINT AUDIT OF THE FINANCIAL RECORDS**

**Purpose**: This summary of the Joint Audit of the Columbia River Chapter (CRC) and the Columbia River MOAA Foundation (CRMF) is provided for the record at the Annual Meeting of the CRC and CRMF.

**Audit Date**: December 2, 2019.

**Period Audited**: October 1, 2018 through September 30, 2019.

**Audit Areas**:

✓ Documentation

✓ Budgeting

✓ Income & Receipts

✓ Expenses & Expenditures

✓ Petty Cash

✓ Chapter Assets

✓ Internal Controls

✓ Administration, Procedures, and Processes

**Prior Year Recommendations**:

1. The recommendation that the Chapter By-laws be amended to better reflect the financial responsibilities of the Chapter officers still are awaiting final vote of the Chapter members.

2. The recommendations for CRMF regarding back-up storage of Foundations records and documents has been adequately addressed by both Boards.

**Audit Objectives and Findings**:

**1. Ensure essential documentation for registering with Federal and State agencies, to include certification of non-profit status, is complete and current.** Documentation was complete and current for both the CRC and the CRMF.

* 1. **2. Review the adequacy of the audit trails for income and expenses, as well as internal controls, are sufficient to support an external (e.g., IRS) audit.**
  2. • Records and documentation of income/receipts, deposits, and expenditures for the CRC and CRMF were complete and accurate.
  3. • Internal controls are prudent and practical.

**3. Determine any areas of weakness, or areas requiring further examination/discussion, with respect to processes, procedures, and overall management of assets and finances.**

* The primary recommendation for both the CRC and CRMF is to review and recommend better procedures for: o Documenting cash for check transactions between the Chapter and Foundation Treasurers.
* Ensuring the audit trail is not lost when receipts are handled by other than the Treasurers.
* Two other recommendations for the CRC are minor, but important, for “tweaking” and formalizing internal procedures.

**4. Make a risk assessment of potential for waste, fraud, or abuse.**

* Treasurers for both the CRC (**Susan Ellis**) and CRMF (**Frank Hill**) been very attentive and diligent in performing their duties, and doing so in a timely manner. Both have created accounting tools and record formats that facilitate a transparent and efficient audit trail.
* Overall, the risk for waste, fraud, or abuse is low in both the CRC and CRMF.

**Other Remarks**:

1. The Adoption of the proposed amends to the Chapter By-laws regarding financial responsibilities is enthusiastically recommended.
2. A special thank you to **Christine Rubadue** and **Robert McFarlin** for volunteering to be part of the Audit Team for the fourth straight year.

Submitted by: **Terry Babin** on January 18, 2019.