

Special PATACS 2016 Audit

A special audit of the PATACS finances was required because of a change in treasurers. The audit Chairman was Nick Wenri Director assisted by Mel Mikosinski, 2nd VP and Steven Wertime, Director.

Cash receipt records were compared with bank deposit records. The cash receipt records consisted of membership dues receipts. The cash receipts were sometimes combined and converted into a single check deposit by the treasurer. The check deposit could also include cash Pizza Sig donation cash. The cash deposits for membership dues, membership and Pizza Sig donations all agreed with the bank statements. The PO ("Post Office") files derived from the treasurer's Quicken files also agreed with the bank statements, and deposit ticket data.

Like the cash receipts, the deposit ticket data, and PO/Quicken data also included checks for deposit. (Mostly membership renewal checks and also some checks that aggregated Pizza Sig and member cash donations. The check and cash deposit records were in agreement with the bank records.

The check authorization forms were compared with the bank account records and were in agreement with them. The authorization forms also had the required two person initials for each check issued.

The returned (cancelled) checks were in agreement with the Quicken/PO data. There were three checks issued in FY 2016 that had not yet been cashed (debited in the October bank statement). These checks totaled \$825.58 which equaled the difference between the bank records and the Quicken/PO records.

The above comparisons involved actions relating to the operating checking account. There was one class of transactions that did impact both the operating and the cash reserve accounts. This was a cash reward program which during the fiscal year provided a \$50 reward for the cash reserve checking account and a \$25 reward for the operating checking account. The reward payments were issued as a check directly to the treasurer (due to a bank mailing error), who in turn deposited the amount into the respective checking account. The treasurer took steps to corrected the bank's misdirected mailing issue with Capital One representatives. The fiscal year ended with the following unredeemed (not reflected in the account balances) award amounts of \$8.12 in the Cash Reserve Account and \$2.97 in the operating checking account. *(There was not much data on the bank's web site about checking account rewards. I could not find why the only actual reward payment was limited to the single \$50 transfer instead of the total reward amount. (\$58.12)).* It is anticipated that the earned interest amounts of \$8.12 and \$2.97 will be deposited into their respectful accounts when the next rewards deposit cycle is executed in FY 17.

The one other money account was a Certificate of Deposit account that had \$2.56 interest accrued in FY 2016. The bank records agreed with the treasurer's FY reports.

With the addition of details provided in the Sub-Audit Report dated Oct 23, 2016 (attached) this completes the FY 2016 audit. In summary, there were no discrepancies found between the bank records, the treasurer reporting documents, and in the tracking/approval procedures for expenditures.

Nicholas Wenri

Nicholas Wenri, Audit Chairman

Mel Mikosinski

Mel Mikosinski, Second Vice President

Attachment

FY-16 Sub-Audit Report

This special audit report only covers PATACS deposits

Date Oct 25 2016

I: The purpose of this special sub-audit report is to document the details of a PATACS audit concerning checking deposits. Normally the PATACS audits are done every two FY years, but due to the transfer of the Treasurer duties to a new person a special FY-16 PATACS deposits audit is required.

II: The PATACS PO File (membership payment records) report maintained by the Membership Chair uses the following report elements:

- Individual PATACS Member details plus paid dues and donations
- Pizza Sig meeting donations
- Amazon monthly commission payments
- Checking Accounts interest payments for two checking accounts and a CD account

Monthly Summary Total lines as follows:

- Level 1 = Monthly totals Treasurer Deposits
- Level 2 = Monthly totals bank deposits (For auditor use)
- Level 3 = Running Treasurer cash flow Quicken totals (For monthly comparison with the Treasurer's monthly Quicken report)

III: The monthly Capital One bank statements use the following formats:

- **In part one**, summary totals for the monthly deposits/credits, checks/debits, balances, and interest rewards.
- **In part two**, summary totals for daily deposits/credits transactions plus individual checks/debits transactions.
- Special Note: The Capital One bank statements used in the audit do not list the individual check numbers/amounts or cash/amounts that were deposited.

IV: The PATACS deposits audit procedure uses a summary totals (bank statement vs. PATACS PO report) match concept as follows:

- Step 1 = Each month's deposit totals (bank statement's part one summary vs. PATACS PO File report's summary level 2) are compared. If the deposit numbers do not match step 2 is executed
- Step 2 = Daily monthly deposit totals (bank statement's part two summaries vs. various PATACS PO File report summary totals) are compared. If the deposit numbers do not match step 3 is executed.
- Step 3 = A special month's detail deposit Quicken report is requested from the Treasurer. Detail lines entries are compared between the special Quicken Treasurer Report vs. the PATACS PO File report to resolve any bank statement summary totals issues.

V: The detailed results of the FY-16 PATACS deposits audit are as follows:

1. Monthly PATACS PO File report deposits totals matched the Bank Statement Reports (part one) for the following months: October (1), March (6), April (7), May (8), June (9), July (10), August (11), September (12). Both attachment report summary numbers are marked in yellow with a corresponding one number code (1, 6, 7, 8, 9, 10, 11, and 12).
2. November's deposits were deposited in December. Bank Statements Reports (part two) summary totals for the months November and December matched the corresponding summary totals in the PATACS PO File report. Both attachment report summary numbers are marked in yellow with a corresponding two character code (2A, 3A, 3B, 3C).
3. January had a bad deposit check. Bank Statements Report (part two) summary details for January matched the corresponding summary totals in the PATACS PO File report. Both attachment report summary numbers are marked in yellow with a corresponding two or three character code (4A, 4A1, 4A2, 4B). A sticky note was added to the January's bank statement to identify codes (4A relationship to 4A1 and 4A2).
4. February's Rewards interest check was mailed to Paul Howard. Paul deposited the check in the PATACS checking system. Bank Statements Report (part two) summary details for February matched the corresponding summary totals in the PATACS PO File report. All attachment report summary numbers are marked in yellow with a corresponding two or three character code (5A, 5A1, 5A2, 5B). A sticky note was added to the February's bank statement to identify codes (5A relationship to 5A1 and 5A2).
5. No major deposit issues were found during the special FY-16 PATACS deposit audit.

Mel Mikosinski (Membership Chair and 2nd VP)

2 Attachments

1. FY-16 Bank Statements Check1.pdf
2. FY-16 PO File Check1.pdf