**Committee Name: Internal Audit**

**Committee Chair(s):** Sophia Williams

**Date/Time of meeting (MM/DD/YYYY):** 1/10/2024

**Attendees:** Ollie White, Valerie Baker, Syerra Cunningham, and Sophia Williams

**Committee Decisions:** (limit 500 characters) The Committee members communicated via email and text and continued to meet virtually as needed.

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| **Q2 Summary Audit Report:** The Internal Audit Committee completed a review of the financial records of the Austin Alumnae Chapter (AAC) of Delta Sigma Theta Sorority, Incorporated for the 2nd quarter, which spans from October 1, 2023 to December 31, 2023.The validation included: * 50% of receipts (18)
* 25% of check disbursed (11)
* 10% of non-check disbursed (10)
* 100% of membership dues collected during the period (70)

The chapter had $51,197.91 in disbursements (expenses), $67,228.64 of gross receipts (revenue) and 289 financial members at the end of the period.**Q2 Summary Findings:**The fiscal controls provided in quarter 2 were good. Financial reports correctly represent the financial status of the chapter’s assets. The chapter’s bank balances were reconciled monthly and transactions were recorded accurately in the financial records. The IA committee was able to confirm the use of safe practices for:* Receipts
* Disbursements
* Bank statements
* Budget line items and
* Adherence of the chapter’s policies and procedures

**Follow up of Q1 Findings:**Of the 233 membership dues tested at the end of Q1, follow up of the 9 dues exceptions by the Internal Audit Committee indicate the following:* 2 dues were not remitted to HQ within 30 days – Extensive review of dates, confirmation of name and membership numbers will be performed in the future, per the Chapter response – ***No further action is needed at this time.***
* 6 dues had details on transmittals that did not match the Financial Secretary’s records
	+ 2 dues paid additional Membership-at-Large dues amounts in error – Chapter response is that the HQ refund request is in process – ***2 of 2 or 100% pending.***
	+ 2 dues had a Reinstatement Fee (National Late Fee) amount discrepancy – Chapter response in 1 of 2 instances, member paid additional Reinstatement Fee amount and in 1 of 2 instances, HQ refund request is in process – ***1 of 2 or 50% pending.***
	+ 2 dues were not properly reflected in the chapter’s receipt books and were not included on transmittal documents – Chapter response is that in 1 of 2 instances, a refund has been issued to member based on HG input and in 1 of 2 instances, a HQ response is pending – ***1 of 2 or 50% pending.***
* 1 membership due was remitted to HQ prior to the receipt of local dues – National Dues amount remitted to HQ was an underpayment amount which has been paid in full by the member during Q2, per the Chapter response – ***No further action is needed at this time.***

**Recommendation for Pending Q1 Findings:*** The Treasurer should monitor the progress of the Quarter 1 pending follow up items until National Headquarter resolves the items by reimbursing the money.

**Overall Recommendations by the Chapter Internal Audit Committee:*** After consulting with the Austin Alumnae Chapter Finance Committee and National Headquarters, the Internal Audit Committee recommends that fiscal officer reports provided for Executive Board Meetings cover the first day of each month to the report due date for the Executive Board Meeting and are closed out. (A current snapshot report)
* Afterwards, a second fiscal officers report which covers a period of one full calendar month beginning with the first day of the month through the last day of the month should be provided to AAC members on the website. This second fiscal officers report should be made available to AAC members within the first week after the Chapter Meeting or no later than the second Saturday each month. (A calendar month-end report)
	+ Calendar month-end reporting by Chapter Fiscal Officers should ensure that the receipts logs and disbursements (expense) logs tie back or are in alignment with Chapter bank statement balances each month. (Fiscal Officers Manual 2020, p. 11)
* Ensure that Annual Financial Reports quarterly totals for receipts and disbursements (expenses) are maintained by the treasurer and provided to the Internal Audit Committee each quarter.
	+ Gross Receipts and Gross Disbursements (Expenses) entered on the Annual Financial Report by the treasure must equal the Sum of the Gross Receipts and the Sum of the Gross Disbursements (Expenses) calculated on the Annual Internal Audit Report at the end of the year. (Internal Audit Manual, 2020, p. 9)

A copy of the Detailed Audit Report has been provided for the chapter’s records. |
| **OVERALL AUDIT FINDINGS:**“A” - After review by the Chapter Internal Audit Committee, it has been determined that the Austin Alumnae chapter has satisfactory financial internal controls and the review supports the existence and utilization of these controls. |

**Recommendation(s) to Executive Board:** (limit 500 characters)

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|  None |

**Next month’s activities:** (limit 500 characters)

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|  None |

**Volunteer Activities (include Date/Participants/Time):** (limit 500 characters)

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|  None |

**Signature of soror making the committee report: \_\_ Sophia Williams\_**

**Date of report to Executive Board/Chapter:** \_2/27/2024\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Date/Time of next scheduled committee meeting:** \_To Be Determined (TBD)\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_