
POST AUDIT MEMORANDUM

**KWANTLEN UNIVERSITY COLLEGE
STUDENT ASSOCIATION**

Year Ended December 31, 1998

 TOMPKINS,* WOZNY* & Co.
Chartered Accountants

* denotes incorporated professional

August 31, 1999

PRIVATE AND CONFIDENTIAL

MEMO

To: Mr. Rolando Navarro, Kwantlen College University College Student Association
From: Gary Wozny
RE: Final Post Audit Memorandum

Dear Rolando:

As discussed, please find enclosed four (4) final copies of the Post Audit Memorandum for your records.

Martine or I will contact you in the next few months to arrange a visit to review the 1999 accounting records to date.

We trust the above is satisfactory and if you should have any questions, feel free to contact us.

Yours truly,



Gary Wozny

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1. LONG-TERM FINANCIAL PLANNING

The Association must consider the long-term financial ramifications of the Phase II Development in the form of a financial plan.

The financial plan must address the major cash flow commitments such as repayment of the CIBC loan and the funding of capital expenditures, including the food facilities equipment and weight room equipment.

Although the Association has substantial equity at December 31, 1998, a formal long-term financial plan is still not formalized.

2. PHYSICAL EVIDENCE OF DISBURSEMENTS BEING APPROVED FOR PAYMENT

Although supporting documentation (i.e. supplier invoices, receipts) appears to be approved, please ensure that there is physical evidence to this effect.

The staff member, who receives the goods or services as required, should initial the documentation as evidence that the goods or services have been received to their satisfaction.

All cheque signing authorities should review the supporting documentation (i.e. supplier invoices) when signing cheques.

3. PAYROLL

All time sheets must be authorized (i.e. physical evidence, including initial or signature of the authorizing person), this was not always evident.

Adjustments to staff wage rates must be documented in the minutes (this was not always the case during the year). If the Association is concerned with confidentiality, ensure that there is written evidence of the rate change somewhere in the Association's records. For example, a wage rate authorization memo may be included in the staff member's personnel file.

Christmas bonuses paid during the year were not authorized in the minutes [see above].

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3. PAYROLL (CONT'D)

On occasion, employees worked in excess of regular hours, without prior approval. All overtime should be approved (preferably in writing) before excess hours are worked.

In January 1999, wage increases were authorized for the Association's president, vice-presidents, campus representatives and ombudsperson. When ever wage and benefit adjustments take place, please ensure that the rate adjustments are approved by the membership at the annual general meeting.

4. ACCOUNTING SYSTEM

The Association must determine a plan of action on which accounting system to use, Excel or Simply Accounting. Presently, both systems are being used, making the accounting function somewhat tedious and inefficient.

The Association must provide Mr. Rolando Navarro with adequate time if he is continue to carry out tasks relating to both the accounting function and other business related issues.

The Capital Asset Fund's books (i.e. bank transactions and investment account) should be written up on a regular basis through out the year.

5. CAPITAL EXPENDITURES

A capital asset subledger should be maintained for all capital acquisitions. The information recorded in the subledger would include the date of acquisition, the supplier, the cost, a brief description of the item purchased and any identification numbers, if applicable.

The Association should establish a capitalization policy whereby amounts of say, \$200 or more, are recorded as a capital asset. Any amounts of less than \$200 would be recorded as a period expense.

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6. CASH GENERATING ACTIVITIES

The Association should continue to improve its controls over cash generating activities such as locker rentals, arcade game revenues and photocopying revenues. Please contact us if you wish further assistance in this regard.

7. YEAR 2000 PREPARATION

The Association should be satisfied that all significant Year 2000 issues have been reviewed to ensure that the on going operations will not be adversely affected. This includes a review of the Association's computer system as well as communication with major suppliers, where applicable.