

**POST AUDIT MEMORANDUM**

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Year ended December 31, 2004

1. The accounts receivable and accounts payable balances in the general ledger were not reconciled to the listings during the year. Please ensure that this is done on a regular basis.
2. In 2004, there was a marked improvement in the timely preparation of the current bank reconciliations. Please ensure that the monthly reconciliations continue to be prepared on a timely basis and reviewed by either the general manager or director of finance. The reviewer should initial the reconciliation to indicate their authorization.
3. The December 31, 2004 current bank reconciliation included stale dated cheques of approximately \$2,267. The stale dated cheques should be reviewed on a regular basis and reallocated to accounts payable, if applicable.
4. The bank charges and interest income in the Health & Dental bank account were not recorded in the accounts. Please ensure that all transactions in the account are recorded on a monthly basis.
5. For the year ending December 31, 2004, Café Lounge incurred a loss of \$15,731 before amortization of equipment. Please ensure that the financial results of the Café Lounge are monitored on a timely basis to ensure the financial viability of the operation.
6. Late in the fiscal year, the Café Lounge cash register ran out of ink so the "Z" tapes could not be read. It is imperative that the Z tapes be reconciled to the cash out summary report to ensure completeness of sales.
7. The daily cash receipts from the Café Lounge should be reconciled to the Z tape (including all voids) and cash over/short balances should be monitored. The cash over/short balances should be included in the cash out summary report and also be recorded in the general ledger.
8. Debit card and Visa receipts should be reconciled from the cash out summary report to the monthly bank statements for the Café Lounge.
9. It appears that substantial amounts of cash "sit" in the safe in the Café Lounge. The cash should be deposited to the bank account on a more timely basis.
10. December 2004 Café Lounge sales of \$6,232 were not recorded in the accounts at year end. Please ensure that all deposits are recorded in the accounts on a timely basis.

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11. All significant accounts receivable, prepaid expenses, and accounts payable should be recorded in the accounts.
12. Capital asset acquisitions should be recorded in the correct general ledger account (i.e. in the capital fund).
13. The Association should continue to hold the CIBC and Quadrus investment people "accountable" by meeting with them two times a year to review the rate of return on the respective investment portfolios.
14. Continue to review and improve the Association's cash generating activities. Late in the year four copiers were purchased. Please ensure that a system is in place to take advantage of the "counters" in the machines to ensure that the respective revenues are being received.
15. In 2004, 31 journal entries were required for the Operating Fund vs. 23 in 2003. Please attempt to keep the accounts current and up to date during the fiscal year to ensure that there are minimum adjustments at year end.
16. The Capital Asset Fund's assets (i.e. bank transactions and investment accounts) should be recorded on a regular basis and should be included in the Association's internal financial statements. At the end of the year, the Association accounted for the investments in Quadrus and CIBC using "Quicken". This demonstrates that the Association can record the investment transactions through out the year.
17. GST collected and paid must be recorded in the respective GST liability account on a consistent basis. During 2004 we noticed that certain GST charged was recorded directly to the revenue accounts in the general ledger.
18. In certain instances, minutes are not formally typed and approved until many months later. Please ensure that all minutes are typed and approved on a timely basis.
19. The annual financial statements should be presented and accepted at the Annual General Meeting.

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Year ended December 31, 2004

20. On occasion, advances were made after board motions were made, but the subsequent supporting documentation (i.e. receipts or supplier invoices) were not provided to the Finance office. Please ensure that all expenditures have supporting documentation.
21. A substantial contribution was received for expenditure on the Women's Centre yet the documentation supporting the contribution and highlighting its purpose was not on file.
22. All employees should have correspondence in their personnel file to support their wage rates and any subsequent changes. On occasion, there was no documentation to support an employee's rate of pay. The executive should annually approve all pay rates for all employees and positions in the form of a "Master List".