

To: The Officers and Members of R.C. DuPont Post 18 of the American Legion

From: Post Audit Committee

Date: January 19, 2017

Subject: Internal Audit

Scope:

The audit of the financial records of R.C. DuPont Post 18, American Legion ("the Post")

Period: June 1, 2014 through June1, 2016

The audit included a review of assets, income, expenses and practices as they relate to the proper handling and reporting of finances of the Post during the period reviewed.

Assets:

Annuity: An Annuity Account, with a face value of \$100,000 is underwritten by Metropolitan Insurance Company. The monthly interest earned is deposited via Electronic Funds Transfer to our Demand Deposit Account (checking) with Wells Fargo Bank.

Checking: A demand deposit account is held at Wells Fargo Bank. This account is established as the depository, as well as transaction account for the post. The funds are accessed via checks (established as dual signatures required) as well as a debit card.

A detailed review of the deposits and approved distributions in this account's transaction history was performed for the Period. All transactions appeared to be appropriate with all expenditures being delivered for the appropriate purpose.

Exceptions:

- a. 2 checks (#1903 and #1912) were processed with only a single signature. These items were dues transmittals to the District of Delaware. Per policy, all checks should be dual signed,
- b. Several dues transmittal sheets were not available as the form was "overwritten". All dues transmittals should be retained per Legion policy, for audit purposes.
- c. Several expenditures did not appear in the minutes as being "approved". The actual checks were deposited by the named payees.(see transaction spreadsheet attached). The members of the audit committee remember the items being approved expenditures. Going forward, it is recommended that some form of document (approved by the executive committee) be executed and signed by the Commander. This document authorizes the Financial officer to distribute funds, as authorized by the Executive Committee, or the Post membership. These forms should be retained in the financial records.

Recommendation:

The Post is embarking on a campaign to solicit charitable donations from the general public. Care needs to be exercised that those funds are clearly defined, and tracked, in our financial records as separate line items in all reports.

Conclusion:

A complete review of the available records indicate that the funds, and other assets, of the Post are handled and maintained in a manner that that is consistent with the will and intention of the members of the Post.

The undersigned, would like to thank the members of the Executive Committee, and the Post for their cooperation during this review. In addition, we would like to thank Scott Chambers for his assistance in researching the records.

Respectfully submitted by the committee:



Charles Armbruster, Past Commander



Thomas P. Kelly

Encl: