



# Baltimore County Alumnae Chapter DELTA SIGMA THETA SORORITY, INC.

## SUMMARY AUDIT REPORT Internal Audit Committee Baltimore County Alumnae Chapter Delta Sigma Theta Sorority, Inc. For Period July 1, 2022 – September 30, 2022

The Internal Audit Committee completed a review of the financial records of the Baltimore County Alumnae Chapter of Delta Sigma Theta Sorority, Inc. for the period of July 1, 2022 – September 30, 2022, known as the 1<sup>st</sup> quarter. The review included the validation of at least 10% of merchant transactions, 25% of disbursements, 50% of deposits, and 100% of membership dues.

The committee found that appropriate internal controls are in place and utilized to safeguard the chapter's financial assets. The following are our findings and recommendations.

### Findings:

1. There were three instances where dues were not transmitted to national headquarters within 30 days from chapter receipt.
2. One over budget expenditure.
3. One check written out of sequence.
4. Reporting errors and typos found on financial reports.
  - a. The dollar amounts for the deposits on the Financial Secretary Reports did not equal the dollar amounts on the bank statements. For July, the difference was almost \$9,000 due to Eventbrite totals being excluded.
  - b. The dollar amounts for the deposits on the Financial Secretary Reports did not equal the dollar amounts on the Treasurer's Reports.
  - c. The dollar amounts for the deposits on the Treasurer's Report did not equal the dollar amounts on the bank statements for July. For August and September, the amounts differed by the totals that were in the PayPal account.
  - d. The receipt numbers were not consistently noted on the Treasurer's Reconciliation Report. The source of the reference number was inconsistent. Sometimes it was the sales receipt number and sometimes it was some other number, possibly the check number. For sales receipts, it should be the sales receipt number.
5. The Chapter's Policies and Procedures do not explicitly state how to handle several of the specific fiscal duties.





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### Recommendations:

1. Create a separate Financial Management Handbook or update the section in Policies & Procedures to include more detailed guidance for the finance team.
2. Ensure all committees include the finance team when plans are made to use different platforms to collect and disburse funds. The finance team needs to be aware of the platforms and have access to see all transactions to record funds accurately.
3. Update previous financial reports to include merchant activity that was not made available to the finance team when the reports were completed.
4. Establish written policies and procedures on debit/credit cards, online banking and the storage, retention and destruction of data.
5. Provide written policies and procedures for services such as Paypal, Eventbrite, Rally Up and Quickbooks since more electronic payments and processes are encouraged.
6. Schedule a meeting with the Budget and Finance Committee.
  - a. to outline acceptable monthly differences between the Treasurer's and Financial Secretary reports and the appropriate method to record the differences.
  - b. to clarify and document expectations based on requirements from the National Internal Audit Committee.
7. Implement improvements recommended on the previous internal audit reports.

Overall, the chapter has satisfactory financial internal controls and this review supports the existence and utilization of these controls.

These audit findings and recommendations have been shared with the finance team.

Dorothy Reed, Internal Audit Committee Chair  
Janice Campbell, Internal Audit Committee Member  
Mona Lisa Williamson, Internal Audit Committee Member  
Sarita Edwards, Internal Audit Committee Member

