

Valley Pond Townhouse Association
Self-audit for 2010

The self-audit was conducted on March 23, 2011 at the home of the treasurer, Sherry Freking by committee members Frank Balster, Griff Wigley, Norm Watt and Gene Bauer. Sherry Freking furnished the treasurer's records and answered all questions regarding financial matters of the association.

Purpose

The purpose of the audit is to examine all inflows and outflows of money that the board controls on behalf of the members of the Valley Pond Townhome Association; to ensure that all contracts are properly processed and adhered to; and to uncover and correct any possible weaknesses that may be present with regard to fiduciary responsibilities and record keeping responsibilities. This audit covered the calendar year 2010.

Process

- 1) Review VPTA dues, deposits, and dates on bank statements compared to dates and amounts shown on the monthly reports to the members.
- 2) Trace representative samples of paid invoices to canceled checks and to bank statements.
- 3) Review signature authorizations on bank accounts.
- 4) Review representative samples of any payments made to board members.
- 5) Insure that all records, canceled checks, and bank statements are properly stored.
- 6) Inspect bank reconciliation and recalculate a sample of bank reconciliation.
- 7) Review the sequencing of check dates and numbers for inconsistency.
- 8) Determine that all pertinent association documents are properly safeguarded.
- 9) Examine a sample of board minutes for consistency with actions and expenditures.

Findings

Samples of paid bills were traced for agreement between invoices, canceled checks, bank statements and treasurer's reports. In addition, VPTA board action authorizing payments were verified against meeting minutes and signed contracts. The self-audit committee found all records and processes to be accurate, appropriate, and complete. Sherry assumed these duties in June 2010 following the annual meeting. Listed below is the status of the 5 recommendations from the 2009 Self Audit:

2009 Recommendation Status

- 1) Consider appointing a board member to keep current on foreclosure possibilities by checking quarterly with the city regarding late payment of water bills. – *Status unknown and the matter was not discussed during the Audit*
- 2) Consider setting the treasurer up with a Google Gmail account on which all records and correspondence could be kept. This account could be passed on when a new treasurer is appointed. Documents from this account could be made available to members of the Association as the board sees appropriate. – *Records are currently available through multiple people (currently Sherry or Robbie Wigley) and can be made available through the password protected portion of the valleypond.org website.*
- 3) Consider appointing a separate person or committee to assume responsibility for the savings accounts, the long-range planning tool and budget projections. - *Status unknown and the matter was not discussed during the Audit*
- 4) Make it standard procedure for the treasurer to get copies of all signed contracts to which he/she can refer when paying bills. – *Copies of contracts and correspondence related to paid invoices are kept in the fireproof lockbox that was passed along to Sherry*
- 5) Identify a board member who would be willing to store a copy of the flash stick on which Anne keeps a back up copy of all files. – *Flash sticks are exchanged between Sherry and Susan Bauer on a monthly basis and kept in their separate buildings.*

No new recommendations were made in terms of altering the 2011 duties and practices of the Treasurer's office.

Sherry has transitioned very well into this position since June and has a very good understanding of the duties. The committee is very thankful for the great job performance by Anne Krause. We owe her our thanks for executing her responsibilities with exacting care and skill.