

Performance of Agreed Upon Procedures
February 23, 2016

Executive Committee
Virginia Local Government Auditors Association

Authority and Scope

The Bylaws of the Virginia Local Government Auditors Association (VLGAA) Article VI, Section 1 states, "The president shall appoint an audit committee to perform an annual audit of the Association's financial accounts and records. The Annual Audit Report shall be communicated to the Association's membership in the newsletter. "The Audit Committee was appointed by the VLGAA President to audit the VLGAA financial records for the period from January 1, 2015, to December 31, 2015.

Audit Process

The responsibilities of the Audit Committee, according to the Operations Manual, were to: audit all Association financial records and prepare an annual report for submission to the Executive Committee; review and test controls over reported income and expense activities; and maintain a file of records and correspondence to pass on to any successor at the close of the Association year.

- The VLGAA books (Database) was reconciled to the year-end bank statement balance and Comparative Financial Report. Additionally, all 12 monthly bank reconciliations and bank statements were reviewed.
- VLGAA conference attendance records and membership records were tied to transactions posted in the VLGAA database and deposits posted to the bank statement. All interest earnings were recorded properly.
- All disbursements per the checkbook register agreed to bank statements and the database accounting records. All checks issued had proper authorization and supporting documentation.

Opinion

Based upon the performance of the Agreed Upon Procedures for the Review of VLGAA Financial Activities for the period from January 1, 2015, to December 31, 2015, receipts were recorded, disbursements were made, and records were maintained in accordance with stated operational procedures.

The 2015 Comparative Schedule of Dues, Interest, Seminar Income, Disbursements and Cash balances for the calendar year ended December 31, 2014 and December 31, 2015 is attached.

As a result of this review, we had one recommendation which is described below:

Recommendation #1: We recommend that the following changes be made to the VLGAA Agreed Upon Procedures for the Review of the VLGAA Financial Activities:

- a. Discontinue the performance of the 12 month Proof of Cash procedure. With the limited activity, the review of the bank reconciliations and bank statement activity should give adequate assurance of the propriety of transactions.
- b. Clarify language in Step #2. Add: "Agree 2015 Membership List to dues posted to the VLGAA Database." and "Agree 2015 Spring and Fall Conference attendee list to Conference Fees posted to the VLGAA database."

Note: The Audit Committee obtained approval of these changes from the VLGAA President via e-mail on February 23, 2016.

I would like to extend my deepest appreciation to the Treasurer (Karen Woodson) for all of her assistance in obtaining the documentation needed to complete the review and her commendable job in maintaining VLGAA's financial records for CY 2015.



Sharon Pribadi
2015 Audit Committee

VLGAA 2014 - 2015
COMPARATIVE SCHEDULE OF DUES, INTEREST AND SEMINAR INCOME (LOSS)
DISBURSEMENTS AND CASH BALANCES FOR CALENDAR YEARS
ENDED DECEMBER 31, 2014 AND DECEMBER 31, 2014

	2014	2015	Difference
Income			
Dues Received	1,725.00	840.00	885.00
Interest Income	5.05	5.05	-
Seminar Income	11,629.00	8,290.00	3,339.00
Other Income			
	<u>13,359.05</u>	<u>9,135.05</u>	<u>4,224.00</u>
Disbursements			
Seminar Costs	11,838.53	7,418.35	4,420.18
Credit Card Fees		414.55	(414.55)
Award/Gifts	814.29	817.14	(2.85)
State License/CPE Registration	26.00	25.00	1.00
Website Fees		71.88	(71.88)
Postage	19.74		19.74
Bank Fees	510.41	(25.00)	535.41
Board Meals & Travel		166.40	(166.40)
Other Expenses (C-Vent Fees)	634.27	383.21	251.06
	<u>13,843.24</u>	<u>9,271.53</u>	<u>4,571.71</u>
Gain/(Loss)	(484.19)	(136.48)	
VLGAA Database Cash Balance January 1	15,084.37	14,600.18	
VLGAA Database Cash Balance December 31	<u>14,600.18</u>	<u>14,463.70</u>	
2015 Fall Conference Cvent Registrations Posted Jan 2016		(2,366.00)	
2015 Fall Conference Cvent Charges Posted Jan 2016		303.81	
2015 Fall Conference Credit Card Fees Posted Jan 2016		150.73	
Bank Statement Balance December 31	<u>14,600.18</u>	<u>12,552.24</u>	

Note: Comparative figures include 2015 Fall Conference Revenue and Expenses posted to VLGAA books in CY 2016.