

Wyoming Library Association Internal Audit of Financial Records for Jan. 1, 2011 through Dec. 31, 2011

The Wyoming Library Association (WLA) internal audit for bookkeeping from Jan. 1, 2011 through Dec. 31, 2011 was conducted at the Wyoming State Library on Feb. 28, 2012 by Susan Mark, Isabel Hoy and Laura Grott.

RESULTS:

1. Randomly select 10 checks for review

The checks selected were:

3587 3637
3597 3647
3607 3657
3617 3667
3627 3677

There were no irregularities with any of the randomly selected and reviewed checks.

All checks matched up with their invoices, bank statements and ledgers.

2. Randomly select 10 deposits for review

We selected the second deposit for each month.

Deposit dates and amounts selected from calendar year 2011:

Jan. 14 \$1476.00
Feb. 1 \$3653.54
March 7 \$1948.00

One PayPal electronic deposit was reversed rather than entered as a credit. Laura explained that this was an early learning experience with using PayPal.

April 29 \$2396.00
May 17 \$1435.00
June 6 \$3036.44
July 15 \$1230.00

We questioned how PayPal deposits are shown on the statements.

Aug. 9 \$1411.00
Sept. 7 \$2656.00
Oct. 3 \$1054.00
Nov. 25 \$ 130.78
Dec. 12 \$ 37.57

All deposits matched amounts on the bank statements and in the reconciliation statements provided by Laura. While recording PayPal entries was a learning experience this year, no irregularities were found.

3. Check mid-year and year-end bank investment statements against balance sheet
June 30 and Dec. 31 statements were checked and balances matched WLA financial documents.

Following the recommendation that we record opening and closing balances so we have something to work from when we start next year, we are attaching documents from which the balances above were taken.

4. Review a selection of deposited checks for evidence of tampering

Not completed for 2010 documents. Not feasible as banks no longer return physical checks. Since our committee recommended we drop this from future examinations, we did not review any 2011 checks for evidence of tampering.

5. Review the WLA accounts in Quick Books for discrepancies

Not completed for 2010 documents. Not feasible and unnecessary as all WLA financial statements are printed from Quick Books. Our committee recommended we drop this from future examinations following the audit of 2010. We did review the June 30, 2011 and Dec. 31, 2011 balances shown on QuickBooks balance sheets.

6. Review one month of each bank's statements

We reviewed the May 31st Bank of the West statement. All debits and credits had a written record.

Recommendations:

- Following the audit of the 2010 bookkeeping, the audit committee recommended that after the financial records of WLA are audited, the electronic bookkeeping in QuickBooks should be secured with a password to prevent changes to the bookkeeping, whether the changes are inadvertent or intentional. This would provide a measure of protection for the Association as well as for the executive secretary. This password could be entered by the president and held in safekeeping. The next year the password could be changed following the next year's audit and the password transferred to the president of WLA at that time.
- For convenience connected with the audit, the password has been provided to two people who are in Cheyenne. Those include Susan Mark and Jamie Markus. Isabel Hoy has given the password to the current WLA president Sukey Hohl activating the 2010 audit suggestion.

- Following the recommendation to password protect the audited bookkeeping in QuickBooks, Susan Mark reported through an email dated Feb. 29, 2012 that the audited bookkeeping through Dec. 31, 2011 had again been password protected.
- Once a financial account has been reconciled and audited, there should be no changes made to those records. If changes are needed, the changes should be reported in a journal entry showing the date of the change, the reason for the change and the name of the person who made the change.
- Late as they are, full copies of this report have been provided by U.S. mail on Aug. 20, 2012 to WLA president Sukey Hohl plus Jamie Markus and Susan Mark at Wyoming State Library. I have kept a copy in my office. Also a copy of this report has been emailed today to Laura Grott without the balance sheets listed below.

Support documents attached:

- Balance Sheet as of June 30, 2011
- Balance Sheet as of December 31, 2011

Respectfully submitted,

Isabel M. Hoy, Treasurer
Wyoming Libraries Foundation, Inc. &
Wyoming Library Association member