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Committee Name: Audit Committee

Date of Final Report: 8/9/2021

Committee Assignment: Council I Council II Council III Executive Board

Report Submitted By: Danny Follett, Audit Committee Chair

Constitutional Charges:

1. The Audit Committee shall report to the Board. Except when a certified public accountant conducts an audit of the Conference's financial records, the Audit Committee shall audit the Conference's financial records annually.
2. Work with the Finance Committee.

COMMITTEE WORK PLAN AND TIMELINE:

1. We have completed annual reviews through the year 2019 and Q1 2020.

COMMITTEE ACTIVITIES:

1. Dates of committee meetings or conference calls: October 18, 2018, Feb 1- 26 2019 (work conducted over email), March 24, 2020, August 31, 2020
2. Overview of committee activities:

Since the last periodic report, we have completed reviews of each transaction with respective supporting documentation and well as having examined the GL and bank statements for Q2 2019 through Q1 2020. In each case, we concluded that transactions were properly authorized, booked accurately, and classified properly within the scope of the procedures we could perform via remote document review, with the small exception of a classification question we referred to the Executive Treasurer. We found a few small instances of tips seeming to be included in a few expense reports against CFP policy.

The Finance Committee reported to the Executive Board that a 3rd party audit was due in 2020. The last external audit was completed in 2016. However, the CFP Audit Policy states that "*financial records shall be audited every 4 years by a CFA, beginning in 1998*". We recommend amending the CFP Audit Policy to remove the clause "beginning in 1998" to remove confusion as that seems to suggest audits be conducted in 2018, and 2022 rather than 2016 and 2020 as they were/are. We would also suggest for the Board's consideration amending the Audit Policy to require an audit by a CPA rather than a CFA, as financial audits are customarily performed by the former.

We have also reviewed the monthly reconciliations performed by the Executive Treasurer.

3. Charges **COMPLETED** and the rationale for each specific recommendation:
 - a. We have completed our charge to perform annual audits through the year 2019.
4. Charges **INCOMPLETE** and to be continued to next biennium:
 - a. If the scheduled 3rd party audit is not underway, we recommend that be initiated. If the Audit Committee is to help engage the 3rd party firm, we would recommend that as a charge for the next biennium.

COMMITTEE REQUESTED ACTION FOR EXECUTIVE BOARD:

- No requested Executive Board action at this time; all committee requests and recommendations are included as an Issue submittal.**
1. Approve recommended changes to CFP Audit Policy. See attached "DRAFT CFP Audit Policy Proposed Revision."
 2. Engage 3rd party audit, if not already underway.