

Report of the Audit Committee 54th National Convention

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On March 30, 2001, the 54th National Convention appointed the following Brothers to the Audit Committee:

- Jason Wright, Rabirius Chapter
- Dana Habel, Iktinos Alumni Association
- Sharlee Seeley, Metagenes Alumni Association

During the afternoon of March 30, our committee met with Nicole Morris, WGE, and the additional attendees as follows:

- James Welby Smith, Daedalus Chapter
- Rob Ford, Apollodorus Alumni Association

This committee reviewed the General Ledger, Balance Sheet, and Profit & Loss Statements for the Fiscal Year 1999-2000. We also conducted a cursory review of the 3rd Quarter Report for Fiscal Year 2000-2001.

Findings

1. There is apparently no written guidance to direct audit committee members and the WGE in conducting this annual review. Therefore, we recommend that a short summary guideline be developed to assist Brothers in conducting an audit session. Sharlee Seeley has volunteered to draft a summary guideline and Audit Committee Report Outline with the assistance of a CPA (pro bono).

This draft will be submitted to the Grand Council for consideration and possible use at the 55th National Convention.

2. Due to the lack of an official procedure, there was no written report by last year's audit committee for this year's committee to review. However, the minutes from last year's Convention show that the Audit Committee recommended an audit be conducted at the start of Nicole Morris' term as WGE. Crystal Rosener, CPA, was hired and performed an analysis of our accounting records. Although she did not perform a true audit, she did submit a letter of finding.

As long as it is not cost-prohibitive, we would expand upon the recommendation of the last audit committee and recommend that a true audit be conducted at the end of the fiscal year and at every change of officers for the position of WGE.

3. Again, due to the lack of an official procedure, we were unable to conduct a test check of receipts for the audit year 1999-2000. We did, however, conduct a test check of receipts for FY 2000-2001 and found no irregularities.
4. Nicole Morris is in the process of transitioning the books from a cash basis system (cash-in/cash-out system – like a personal checking account) to an accrual system with definitive fiscal years. This is a better system for our purposes and Nicole is to be commended for undertaking this monumental task.

5. This committee acknowledges the fact that Nicole Morris devotes an inordinate amount of volunteer, uncompensated time towards maintaining the accounting records of this Fraternity. This committee recommends that, should the funds become available, the Grand Council should consider the possibility of acquiring paid assistance in this regard.
6. Finally, this committee would like to extend its appreciation to Nicole Morris – not only for her diligence in executing the duties of the Worthy Grand Estimator – but also for her gracious cooperation and assistance during the course of this committee’s review.

Signed and Respectfully Submitted,
The Audit Committee

Jason Wright, Rabirius Chapter
Dana Habel, Iktinos Alumni Association
Sharlee Seeley, Metagenes Alumni Association