Veteran Ahblawoe

Audited Cash Flow & Financial Statement

For the Period 11/01/2023 to 10/31/2024

Auditor: Jomaxim P. Jolo
Date : 02/01/2026

Introduction

The Veteran Ahblawoe Organization is a non-for- profit social and athletic organization that is geared towards physical and mental fitness for its members. During their fiscal year, the organization receives cash and other financial donations from its members, other donors and some income from sales of the organization regalia.

These funds are received and managed by the financial team which includes the Treasurer and the Financial secretary. By practice, the president authorizes all of the financial transactions. The organization currently has two bank accounts which are used for their financial transactions.

During this audit process, the auditor communicated with the financial secretary who provided answers and comments to questionable transactions and postings. For this report the Financial secretary will be referred to as the auditee.

Scope

As an independent arm of the organization, the Audit committee has been duly authorized by the executive to audit the Financial Reports, Cash Flow Statements, and Bank statements for the last two fiscal years. Hence, this report highlights financial transactions and operating procedures for the period November 1, 2023- October 31-2024.

Findings

During the audit, two payments of $2,500.00 and $500.00 were paid with checks in the 1st quarter of 2023, but no receipts were available to show that the funds were used for the intended purpose as required by best accounting practice. Also, there was no duplicate copy of the check to verify the purpose of the issued check. However, financial report showed that the checks were for food and refreshment for the inaugural program and turning over ceremony.

Similarly , two checks totaling $2,477.00 were issued to the social committee for payment for Hall rental , but no receipts were received to verify the amount paid. These payments were also made in the 1st quarter of 2023 and the auditee indicated that the committee failed to provide receipt from the vendor.

The audit also found that $718.32 was given to pay for flyer design and printing of 2024 inaugural program but again no receipt returned to verify the amount paid for the service.

During the 2nd quarter, the auditor noticed that $926.00 was reported as payment for liquor license. When questioned, the auditee indicated that he does not have any explanation to show why the organization paid for liquor license. But rather referred me to the previous administration for more answer.

The 3rd quarter of 2023 fiscal year showed that $1.225.00 was paid to a vendor for sporting materials. Though there was a receipt to verify the transaction, the auditee further explained why he accepted the receipt that seems questionable .

Also, during the 3rd quarter huge purchases totaling $4,103.31 were made using the organization's debit card but no receipt was provided to verify what purchases were made. However, the financial statements reported liquor purchases for the inaugural program, though the auditee could not show proof that those purchases were actual liquor since he did not receive receipt from the committee.

The 3rd quarter financial report also showed $577.79, $3,139.56, and $2,506.14 payments with debit card in Iowa and North Dakota, but no receipt was available to verify these payments, according to the auditee.

During the 4th quarter, $1,859.20, $1,000.00 , $1,255.28 and $1,100.00 were reported in the financial reports but no receipt was available to verify these payments. The auditee however, explained the reasons for these payments.

Recommendations

Having reviewed and audited the financial reports, banks statements, and cash flow process, I would like to make the following recommendations.

1. All payments over $500.00 should be documented with a receipt(s)
2. All checks issued should have a duplicate copy to show reason for issuance.
3. All line items reported in the revenue/ income column of financial report should be listed as either income/proceed instead of "payment" since it is reflected in the revenue /income section of the report.
4. It is best practice that the saving account be used for saving purposes and the checking account be used for operating activities of the organization. Accounts ending in ***4218 and ***0077 seem to be used interchangeably. Difficult to understand how the benevolence account increases of decreases.
5. The organization should draft a financial procedure that would guide how the organization's funds are used and reported.