



Constance Leni, DTM
Finance Manager 2020-21
District 39 Toastmasters
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District 39 Toastmasters Finance Manager Report May 14, 2022

In past years, documents were submitted with a cover letter or email that listed the attachments. This year, numerous emails and versions of reports were exchanged with Toastmasters International Finance (Finance) and it is not practical to attempt to include all of those exchanges. Finance confirmed our submissions were complete on September 24, 2021.

The Audit Committee completed their review on August 27, 2021. The required documentation (Narratives, Certification, Accrual and Inventory) were submitted to Finance on September 2, 2021. Finance asked us to send the signed **Audit Committee Guidelines** several days later. All signatures were done electronically. Finance still had to complete the June close.

Following the June close by Finance, we were asked on September 7 to revise our documents to update the amounts on the Certification and update the Narratives. Changes to the Accrual had to be reflected in the documents. We were not able to get the updates done and approved by Finance in time for the fall business meeting. The documents were resubmitted. (See **Audit Committee Guidelines - signed** and **2020-2021 Audit Certification Sept encrypted.pdf.**)

Year to Date (June 30, 2021) Net Income/Loss	\$ 19,943.77
District Reserve	\$ 11,937.96
Total Available Funds	\$ 56,151.38

In November, Finance notified IPDD Ed Johnson and IPFM Connie Leni that a discrepancy had been discovered. A supply order was submitted on June 15, 2021 and assigned Order No. 9011602322 on June 16, 2021. This \$1845.15 pending expenditure should have been included in the Accrual. The Audit Committee would have no way of knowing about this discrepancy.

How did this expenditure fail to be included in the Accrual? IPFM overlooked the June 15 order in preparing the Accrual. None of the district leaders reviewing the Audit documents caught the oversight, before the Audit Committee began the audit. Finance didn't find the oversight in reviewing our documents until the delayed order was identified.

Why was the order delayed? It was in limbo. TI documentation shows a June 16 note that TI was waiting for a second approval from the DD Johnson, as TI wanted a formatting change; we believed that approval had been sent. The fiscal year had changed, so the approval of the

formatting change would have had to come from incoming DD Nancy Potts. The order remained pending until district leaders reached out to TI regarding the order that was taking an exceedingly long time to arrive. The shipment finally arrived December 1, 2021.

How was this resolved? While it is highly irregular to do so, the accountants at TI reasoned that we should still post the expenditure as being incurred during the 2020-2021 year, as the purchase had been approved by IPDD by June 15, 2021. According to normal accounting practice, the order would have been included in the current 2021-2022 year, as it was fulfilled after the close of the prior year.

To complete documenting the journal entry, Finance revised the ***D39 2020-2021 Accrual*** and asked the IPFM to sign the ***Certification*** page and return it. Finance said it isn't unusual to discover some discrepancies after the close is completed for the year. Also, the Audit Committee didn't need to review this update, though Donna Lewis was advised of matter and the actions to be taken. The revised Certification was submitted to Finance on December 6, 2021. (See ***D39 Revised 2020-2021 Q4 Certification.***)

Year to Date (June 30, 2021) Net Income/Loss \$ 18,098.62

Respectfully submitted,

Constance Leni

**Constance (Connie) Leni, DTM
District 39 Finance Manager 2020-2021**