

# Holy Love Lutheran Church (HLLC) Financial Audit

## As Of December 31, 2023

### Objective

The primary audit objective was to determine whether the disbursement and collection transactions for the month of December 2023 were accurately recorded in Online QuickBooks and had adequate supporting documentation to meet audit requirements Also to ensure financial internal controls identified in the March 2018 and December 2021 financial audits still exist and whether they are still effective.

### Background

Melissa Waples is the Financial Secretary and Lindy Whitney is the Treasurer. They both are in their first year performing their volunteer duties. Jean Roenfeldt continues to support the Finance Team with her extensive corporate knowledge and dedication. 1<sup>st</sup> Bank Reconciliation Report and QuickBooks Reconciliation Report reviews are performed monthly by Stephen Ericson to ensure cash balances are properly reconciled between HLLC and 1<sup>st</sup> Bank and are reflected accurately on the HLLC Cash-On-Hand spreadsheet tab.

### Findings

Treasurer input source transactions in Online QuickBooks were accurate and had adequate supporting documentation (various invoices, check request forms, payroll registers, and church credit card tracking slips). The Treasurer has done a great job with his duties, keeping meticulously structured and filed records.

The following internal controls identified in the March 2018 and December 2021 financial audits are still being successfully used to ensure revenue/income and expense are recorded and reported properly:

- System backups are performed for the software used. You don't need to worry about saving your QuickBooks data on a flash drive because QuickBooks Online automatically backs your data up with the same level of security used by banks and financial institutions. This prevents potential loss of data and the need for labor-intensive manual data recovery.
- Weekly revenue/income in the Counter's Report is counted and validated by two individuals (usually Jean Roenfeldt and Melissa Waples) to ensure accuracy and completeness and avoid the potential for fraud.
- Monthly Finance Team meetings ensure the Financial Secretary's Report and Treasurer's Reports are complete, accurate and reconciled. Any issues with supporting documentation for bills and credit card expenditures are discussed. Other finance issues are also discussed.
- Weekly 1<sup>st</sup> Bank Deposit Receipts are validated and reconciled
- Monthly reconciliations of cleared withdrawals and deposits, both checks and deposits and other electronic transactions.

## **Recommendations**

- Ensure credit cards are properly used and adequate receipts are attached to all transactions provided to the Treasurer
- Ensure all Online QuickBooks, and Servant Keeper as well, systemic anomalies are immediately brought to the attention of the finance committee at the monthly meetings for research and resolution
- Explore the possibility of creating QuickBooks reports which contain and display the financial data in a similar format to the MS Excel Spreadsheets. This would save the Treasurer a significant amount of time in having to manually populate the monthly disbursements and collections in the spreadsheet tabs. Single source data entry is the way to go!

Respectfully Submitted,

Stephen Ericson