



**American Legion Post 543
4136 Southport Supply Road
St. James, NC 28461**

Redacted Version
Account and Sensitive
Info has been Redacted

**COMMANDER'S FINAL ACTION
ON THE
REPORT OF FINANCIAL AUDIT
Dated 9 Sep 2022**

11 March 2023

1. I have received and reviewed the REPORT OF FINANCIAL AUDIT dated 9 Sep 2022. I have also reviewed the Solutions Memorandum prepared by the Post 543 Finance Officer dated 9 Nov 2022. Subject to the following comments, the Audit Report and Finance Officer Solutions are accepted and approved.

ACTION: The Finance Officer will brief the General membership at the next opportunity and ensure Audit Results are posted to the Website.

2. My compliments to the Audit Team for an excellent job. The Audit was objective, thorough, and accomplished the stated purposes. Ensuring overall funds accountability is a valuable service which those of us entrusted with managing funds of an organization require to ensure the trust placed in us is upheld.

3. My compliments to the Finance Officer; all Action Items from the Sep 2021 Audit have been completed, and there were no significant issues uncovered in the Sep 2022 Audit. All findings in this Audit have been properly addressed with appropriate solutions to ensure proper accountability and tracking of expenses and funds.

4. My compliments to the St. James Military Appreciation Day Committee. In particular, the Chairman and Treasurer are commended for their organization of the committee records. The audit showed that funds accountability and tracking are meticulous and well documented.

S. H. Ratti
Commander,
American Legion Post 543

"Veterans Serving America"



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November 9, 2022

I have reviewed the three findings outlined in the FY2022 Audit Report. The following are my actions to close out the findings in Section A and Section B. Section C had no findings

SECTION A: The following finding, with the recommendation is designed to facilitate and enhance the daily, monthly, and annual financial requirements and processes of Post 543.

FINDING A 1: The following was noted as deficiency in the ability to conduct the audit. – Missing Receipts.

RECOMMENDATION A 1: The Finance Officer should ensure all accountings without receipts have a certification from the person submitting the accounting explaining why receipts are not available.

SOLUTION A 1: Currently, the Finance Officer scans the expense form and receipts, is applicable, and saves them into a separate file. Cancelled checks are also scanned and saved into a separate file. The Audit Committee Chairman understands that some expenses will not produce a receipt, e.g., National Charities, local charities etc. He agreed that combining the expense form and cancelled check into a single financial record will resolve this discrepancy. The Finance Officer will scan the cancelled check and incorporate it with the approved expense form to form a single financial record. This will meet the Audit Committee Chairman needs for a complete record and will not require the Budget Lead to provide written justification why a receipt is not available.

Info

SECTION B. Account, (**Redacted**), Primary Post Checking Account was reviewed in detail. The following findings represent compliance issue when compared against the current governance.

FINDING B 1: For the period July 2021 through June 2022, there were five (5) vouchers which contained no receipt. Note: There are instances where a receipt may not be available, or the expense can be justified by other means (minutes etc.) Of note was the Oratorical scholarships. A simple financial administrative process adjustment will resolve this issue.

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RECOMMENDATION B 1: Finance Officer will ensure that receipts, or certifications in lieu or receipts are attached or generated to address all vouchers. The Finance Officer will create the necessary receipts as required. E.g., If a receipt is not warranted, Scholarship awards, the Finance Officer will note EXCOM approval date for these transactions on an Expense Form.

SOLUTION B 1: The Finance Officer will ensure that all approval dates are noted on the approved expense form. The Expense Form has been modified to reflect the "Approval Authority" for each expense.



MICHAEL R. CARTON

Post 543 Finance Officer



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**American Legion Post 543
4136 Southport Supply Road
St. James, NC 28461**

REPORT OF FINANCIAL AUDIT

September 9, 2022

1. The 2022 Audit report reflects the detailed review and analysis of the Richard H. Stewart, Jr. American Legion Post 543 financial holdings and financial business practices. The audit attempted to follow the Generally Accepted Accounting Principles (GAAP) guidelines. The primary purpose of this audit was three-fold. 1) Ensure compliance with current Post 543 fiscal governance, 2) determine overall fiscal management of Post 543's funds, 3) determine overall funds accountability. All financial and investment guidelines are found in Post 543 Constitution, Bylaws and Finance Committee Policies and Procedures.
2. The Audit Committee is comprised of two (2) members and chaired by Post 543 Legionnaire Ismael Dieppa. The relevant audit information was distributed, by specific months, between the team to ensure each had a specific timeframe to work through. Their individual findings are included in this report.
3. We were supplied with copies of the following documents for us to have the ability to conduct the audit.
 - a. Detailed monthly Financial Records.
 - b. Expense reports with all the necessary invoices or receipts attached.
 - c. Copy of prior year Audit Report.
 - d. Copy of all EXCOM meeting minutes.
 - e. Copy of all vouchers.
 - f. Copies of FY2021 checks to authenticate the 2-party signature requirement.
4. Overall, Post 543's financial record keeping, accounting practices, and process are exemplary. Compliance with established guidelines, as published in the Post 543 Constitution and Bylaws and Financial Policies & Procedures, is generally very good. However, there were specific findings and associated recommendations to address the specific finding.

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BANK	ACCT #	ACCT TITLE	INTEREST RATE
TRUIST	Info Redacted	Primary Post Checking Account	Redacted
TRUIST		Primary Post Savings Account	
TRUIST		Memorial Checking Account	
TRUIST		Memorial Savings Account	
TRUIST		Post Reserve Account	
TRUIST		Grant Account	
1 ST NATIONAL		St. James Mil Appreciation Fund	

CERTIFICATES OF DEPOSIT		Redacted	Redacted	
UNITED BANK	Interest rate			Maturity Date
UNITED BANK	Interest rate			Maturity Date
UNITED BANK	Interest rate			Maturity Date

BROKERAGE ACCOUNT STIFEL ACCT# Redacted

5. The Stifel brokerage account was not examined. It is a pass-through account in which the funds are transferred to TRUIST account Redacted (restricted) for the express purpose of supporting Scholarships and Grants. The transfer takes place upon request of the approved signatories on the account. A minimum balance of \$100.00 keeps brokerage account active.

6. The St. James Military Appreciation Fund account was also examined. The financial information contained within this account is recorded and tracked in Quicken. First National Bank in Southport NC hold the account.

7. The Finance Officer currently downloads and updates the Quicken account as soon as financial transactions are noted in the various TRUIST accounts. Copies of monthly TRUIST statements and Quicken reports are digitized for future Audit Team access.

8. The below listed TRUIST accounts were reviewed with no findings or recommendations, unless noted. Account activity over the past year was minimal with interest received being the predominant activity. There were deposits and transfers to meet approved obligations and they are noted in the statements and Quicken account.

ACCOUNT #	ACCOUNT TITLE
Info Redacted	Post Savings Account
	Memorial Checking Account (Restricted)
	Memorial Savings Account (Restricted)
	Post Reserve Account
	Grant Checking Account (Restricted)
	Baseball Checking Account

9. Account Redacted ; Grants, reflected the receipt of funds from various sources and the distribution of scholarships and grants under the Americanism and Youth Pillars. All funds and distribution activities were reviewed, and no discrepancies noted.

The findings and recommendations are separated into three separate sections:

- A. Compliance with existing governance moving toward process improvement.
- B. Examination of account **Redacted** , Post 543 primary Checking Account.
- C. Examination of the St. James Military Appreciation Fund

SECTION A: The following finding, with the recommendation is designed to facilitate and enhance the daily, monthly, and annual financial requirements and processes of Post 543.

FINDING A 1: The following was noted as deficiency in the ability to conduct the audit. – Missing Receipts.

RECOMMENDATION A 1: The Finance Officer should ensure all accountings without receipts have a certification from the person submitting the accounting explaining why receipts are not available.

SECTION B. Account, **Redacted** , Primary Post Checking Account was reviewed in detail. The following findings represent compliance issue when compared against the current governance.

FINDING B 1: For the period July 2021 through June 2022, there were five (5) vouchers which contained no receipt. Note: There are instances where a receipt may not be available, or the expense can be justified by other means (minutes etc.) Of note was the Oratorical scholarships. A simple financial administrative process adjustment will resolve this issue.

RECOMMENDATION B 1: Finance Officer will ensure that receipts, or certifications in lieu of receipts are attached or generated to address all vouchers. The Finance Officer will create the necessary receipts as required. E.g., If a receipt is not warranted, Scholarship awards, the Finance Officer will note EXCOM approval date for these transactions on an Expense Form.

Section C: Account **Redacted** , St. James Military Appreciation Fund, was reviewed. Funds accountability and tracking are meticulous and well documented.

FINDING C 1: As noted, record keeping for the SJMAF is outstanding. Linkage between an expense receipt and specific check was easy to accomplish. All receipts presented to the Audit Team were approved by the Budget Lead.

Ismael R. Dieppa e-signature

Ismael R. Dieppa

Chair Post 543 Audit Committee