

Report of the Finance Committee

Date: July 3, 2008

Committee Members: Bonnie Brinker
Jeff Johnson
Lisa Wilde

The Finance Committee met throughout the day of July 2, 2008 to review the financial records of the CBTF.

The Committee examined the records from both the CBTF General account and the CBTF World account.

The Committee's examination included a detailed review of several months from both accounts, as well as a review of randomly selected transactions throughout the fiscal year. The specific months were chosen because they contained a higher-than-usual number of financial transactions – for example, the month of August was reviewed in detail for the World account; months from both the previous Treasurer and the current Treasurer were chosen for the General account.

In general, the Finance Committee found the financial records of the CBTF to be in good order.

There are, however, a few recommendations the committee would like to make to both the Board and the Treasurer for the future. These recommendations fall into two categories:

1. Recommendations for Administrative Improvements
2. Recommendations to improve Fiscal Responsibility

Recommendations for Administrative Improvements

1. Cheques and deposits, along with their backup/supporting materials, should be filed together with the bank statement on which they are posted. Any outstanding cheques and deposits should be kept separately. This would make it easier to locate the source transactions and supporting material when conducting reviews and audits. As the CBTF is considering engaging formal auditors, time saved in this area can reduce our costs.
2. Supporting documentation for the deposit slips should be broken down into the reason/department (or G/L Account Number) from the funds in the deposit – for example, Membership Fees, International Cup entries, National Team tracksuit, etc. The records we examined were inconsistent in this regard. Because of the Committee's familiarity with CBTF business we were able to deduce the breakdown, but an external auditor would have no such advantage.
3. The cheque inventory – which recorded all cheque numbers and payees in numerical order – was a fantastic tool. Please continue to maintain this summary. We suggest that including a column for G/L Account (or Department) and a one-line description would be

beneficial.

4. We recommend that Mileage expense claims, in the future, be accompanied with an online mapping tool (e.g. Google Maps, Mapquest, or Yahoo! Maps) record that supports the mileage being claimed. This will aid future Finance Committee reviews (or external audits) to determine whether the mileage being claimed is consistent with the distance actually traveled.

Recommendations to improve Fiscal Responsibility

1. The supporting material for expense payments (e.g. the Expense Form and Receipts) was generally found to be in very good order. However, one thing missing from most expense payments was the original approval that authorized the expenditure. So, while the Finance Committee can report that Expense Payments were properly supported by receipts, we cannot report that all expenses were appropriately authorized before they were incurred.

The Committee recommends that all expenses over a threshold dollar amount (to be determined by the Board and reviewed/reset on an annual basis) include in their supporting material the original authorization for the expense. We do not want to make the expense approval process onerous or time-consuming – this authorization could be an email or a formal, signed, Expense Approval form. Including this material would allow future Finance Committee reviews (or external audits) to trace payments from the bank statement, to the cheque and supporting material, all the way back to the original authorization.

2. The Committee found that the CBTF continues to incur and pay Visa Merchant Fees on the World account of \$80.06 per month. This Visa Merchant account was used to take Visa payments during the World Championships, but if it is no longer required we recommend it be close to avoid continuing to pay these fees.
3. Consistent with CRA (Canada Revenue Agency) guidelines, we recommend that all receipts for meal expenses include the date of the meal, the names of who attended the meal, and the business purpose of the meal.
4. Our spot-check of World expenses did find a meal expense, reported under ‘Catering’, that included a reimbursement for alcohol expenses. We recommend that CBTF re-affirm its policy regarding the reimbursement of alcohol expenses, and that it take steps to ensure that this policy is followed and respected.
5. Consistent with generally accepted accounting principles, we recommend that expense reimbursements require the approval of two people not involved in the expense claim itself. In particular, where the expense claim is being submitted by a signing officer, we recommend that two other parties be engaged to draft the actual reimbursement cheque.

This report is respectfully submitted,