



Noelani PTA 2021-2022 Audit

August 8, 2022

Dear Noelani PTA President and Treasurer,

We have audited the financial statements of the Noelani PTA as of and for the fiscal year ended June 30, 2022 per our meeting dated August 3, 2022 and have issued our report thereon dated August 8, 2022.

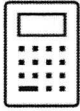
We conducted our audit based on the bylaws provided and with the use of the California State PTA toolkit. With those standards, we were able to perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of the Noelani PTA accounts for the year ended June 30, 2022, we considered its internal control structure to determine our auditing procedures for the purpose of expressing an opinion in the financial statements and not to provide assurance on the internal control structure.

During our audit, we noted certain matters involving the internal control structure and its operation that we believe warrant management's attention. Our discussion of these matters forms the remainder of this report.

Reconciliation of Fund Balances

The audit team performed a consolidated reconciliation of each of the First Hawaiian Bank accounts owned and operated by the Noelani PTA, for the fiscal year ended June 30, 2022. The final reconciliation provided of First Hawaiian Bank account ending in xx6857 resulted in an adjustment of \$2,925.38. In prior years, discrepancies in the reconciliation of items between the First Hawaiian Bank statements and the account register were caused by timing differences in when checks were written versus when they were cleared. Differences between the bank statements and the register are reported as an asset (in transit deposit) or a liability (outstanding disbursements); however, the unreconciled items were left outstanding, and an ending reconciled report was not prepared. In addition, it is unknown if the cash deposits were monitored by two members of the chair committee or PTA board as there were no cash verification forms provided with the deposit slips.



The Noelani PTA bylaws require reimbursement requests to be 1) approved by a committee member or board member and 2) initialed by two members of the PTA board. The reconciliation of the reimbursement requests noted almost all of them were missing a second initial for approval.

Recommendation 1

We recommend the Noelani PTA Treasurer perform monthly reconciliations of the First Hawaiian Bank. Check numbers 1131, 1179, 118, 1184, and 1210 were issued more than six months ago. They should be voided, investigated, and reissued if necessary.

Recommendation 2

We recommend reimbursement requests for amounts over \$100 require two initials as stated in the bylaws before checks are issued. Any reimbursement request amount under the \$100 threshold can be approved by one initial. If an initial cannot be obtained in its original form, an electronic initial can be implemented.

Recommendation 3

We recommend all deposits be supported with a Cash Verification Form (provided with this report) and signed by two members of the acting committee or PTA board.

Recommendation 4

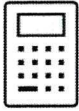
We recommend at the start of the new fiscal year all PTA board and committee members submit a sample signature and initial for audit verification.

Recommendation 5

We recommend at the end of the fiscal year, the Treasurer transfer account register/statements, passwords, and verification of balance to the new Treasurer or someone on the new PTA board.

Recommendation 6

Our final recommendation to help assist the audit team and not to delay the PTA committee in their efforts to start the next fiscal year, would be to change the requirement to have a completed audit prior to the start of a new fiscal year.



We appreciate the cooperation and courtesies extended to us by the President and Treasurer of the PTA during our audit, and we trust the comments and suggestions contained herein will be received in the spirit with which they are offered. If we can be of assistance in implementing any of the recommendations, please do not hesitate to contact us.

This report is intended for the information of the Noelani PTA committee. This restriction is not intended to limit the distribution of this report.

Warmest regards,

Catherine Pfeffer *Sean Kikuchi* *Elaine Lum*

Audit Team Members: Catherine Pfeffer, Elaine Lum, and Sean Kikuchi

August 8, 2022

Honolulu, Hawaii

Enclosure: Cash Verification Form