

December 6, 2022

To: Patti Meier, Mayor

Board of Aldermen

RE: Internal Audit

From: 2022 Audit Committee

Brittany Beazley, Alderman; Paige Linendoll, Town Volunteer; Kathy LaMaster, Town Secretary

An Internal Audit for the Town of Cross Timber was conducted December 6, 2022 using a random month sampling and covering three separate years (FY 2019-2020; FY 2020-2021, FY 2021-2022). The Committee consisted of Brittany Beazley, Alderman; Kathy LaMaster, Town Secretary, and Paige Linendoll, town volunteer. Paige possesses years of managerial and fiscal experience and served as a great asset during the internal audit process.

The process consisted of randomly drawing a sample month for the year being audited followed by locating the necessary documents representing that month. Tasks included matching the Mayor's deposit and income memos to the supporting documentation; checking both income and expenses against the bank statement & the monthly board documents; and analyzing the annual budget to the identified month. These tasks were conducted by one member, then replicated by a second member with each person making notes of recommendations or issues. Overseeing the process and locating documents was the Town Secretary, Kathy LaMaster, also present was Treasurer, MaryJo Moncrief, to answer any questions for the committee.

All three years were sampled and audited with no outstanding issues. During the process there were two issues identified in FY 2020-2021: (1) a typo on the memo from the Mayor to treasurer, but correct data was on Board of Aldermen documents; (2) documentation for an income item was missing, but through analysis of bank statements there was reconciliation.

Recommendations were made by the committee and are listed below:

- Invoices from vendors and contractors need more specificity, citing work done, date work completed and cost per line item
- Remove duplicate copies of income & expenses whenever possible
- Generate a log of income, especially cash, and keep with the income memo