

MONEY & MISSION

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HAPPY NEW YEAR!

The start of a new year often brings with it a resolve to do new things, to behave better, to eliminate poor habits, to reach new goals. In this issue, we focus on two years of internal

audit reports to call attention to the common findings: those issues that come up repeatedly as our auditors visit ministry units across the Territory. Many of them relate to poor compliance with external laws and regulations that we are required to follow, but as Colonel Lee Graves rightly points out, the call to compliance is not only a call to follow the law, but also to meet biblical standards of stewardship and excellence. The Salvation Army's Accountability Movement is about ensuring that our systems and policies are fit for purpose; but without proper practice, they are utterly useless. Others may be responsible for developing policies and systems, but all of us are responsible for compliance.

Over the next few months *Money & Mission* will run several articles to explain the reason for some of the policies for which compliance has been poor.

INTERNAL AUDIT FINDINGS: A CALL TO ACTION

by Colonel Lee Graves, Chief Secretary

During the two years ended May 31, 2017 the Internal Audit Department conducted 82 routine ministry unit audits (in addition to a number of special purpose audits). The tables below summarize the common findings from these routine audits and the type of unit audited. Unfortunately, none of these findings are new: all have been identified in many prior audits.

It would not be possible for me to overstate the importance of the work undertaken by our internal auditors on behalf of the Territory. Accountability for our stewardship of resources is of paramount importance, calling all of us to the highest practice standards.

Our structure places responsibility for internal audit performance in the chief secretary's office and I am routinely briefed regarding findings. The findings highlighted below are strong indicators that much diligence is yet to be brought to the way in which we practice and comply with the necessarily high bar set.

Our lived demonstration of the Gospel demands that we not only meet, but exceed expectations in areas of external law compliance and internal policies and procedures. I would call all of us to proactive diligence when it comes to our business matters. They are critical to mission effectiveness.

None of us should ever feel that we manage alone in this matter. It is a shared responsibility. Divisional and Territorial resources are ready to support all of us in

mitigating risk and coming into full compliance. I implore all of us to give careful attention to practices and controls and to demonstrate leadership by asking for support and assistance when necessary. This is part of the spiritual mantle we all carry. 2 Peter 3:14...."Therefore be diligent to be found by him without spot or blemish and at peace". Thank you for service rendered in an ever increasingly complicated day. Modelling excellence honours the One whose excellence models the pattern to be followed.

Common Findings from Internal Audits

The following table summarizes the most common findings in the two years to May 31, 2017.

	Finding	Proportion of audits	Policy not complied with (TFM = Territorial Finance Manual; OP = Operating Policy)
1	Inadequate safe	71%	TFM 6009
2	Incomplete employee files	71%	Employee Relations Manual, Section 6.1
3	Violation of Canada Revenue Agency rules on the issuance of official receipts	70%	TFM 9002; OP 4602
4	General health and safety	66%	Provincial laws and regulations
5	Incomplete volunteer files	60%	Territorial Volunteer Manual, Section 9.2
6	Untimely deposits	56%	TFM 6009
7	Inadequate record of furniture and equipment (for insurance purposes)	50%	OP 5208
8	Poor petty cash management	48%	TFM 6004
9	Inadequate gift card control	45%	OP 4008
10	Poor cash handling	44%	TFM 6009
11	Missing or outdated Material Safety Data Sheets	44%	Provincial laws and regulations
12	Food safety requirements not followed	29%	Provincial laws and regulations; also some local laws
13	Trust funds not adequately controlled	11%	TFM 6007; OP 4004

The above findings came from audits of the following units:

Corps	54
Shelters	12
Social Services and Seniors/Health	12
Camps	3
Other	1
Total	82

KEY DATES 2018

Date	2018 Finance Calendar
January 9	TX 1-4 forms due in payroll
January 15	Final divisional statements of resources issued to divisional commanders.
January 22	Target date for ministry unit budgets to be received by DHQ. Date may vary by division.
January 31	Target date to complete 2016 charitable receipts
February 26	All budgets to be received in the finance department.
February 28	Target date for issuance of T4's
March 15	Date for completion of Finance Department review of budgets and follow-up discussions with divisions and departments
March 21	Presentation of budget proposals to the Territorial Finance Council.
March 23	Communication of budget decisions to THQ and DHQ stakeholders.
March 30	Final date for communication of budget decisions to ministry units by DHQs
April 13	General ledger closing date
April 24	External audits commence.
May 24	Completion of external audits and approval of ministry unit financial statements
July 4	Consolidated financial statements approved by The Governing Council
September 7	Fiscal strategy report issued to divisional commanders and department heads
September 17	Detailed Budget Guidelines and targets issued to divisional commanders and department heads
October 15	Preliminary divisional statements of resources, divisional ministry fund budget schedules and worksheets issued to divisional commanders.
October 22	THQ/DHQ/MU budget & payroll worksheets issued direct to each THQ department, DHQ and ministry unit.
October 29	Suggested date for DHQ supplementary budget guidelines with specific information related to the division issued to ministry units.

DID YOU KNOW? WORSHIP MAY EXTEND YOUR LIFE

A recent study showed that those who never attend a place of worship - church, synagogue or mosque - are twice as likely to die prematurely as those who attended at least once over the past year. Worship may also improve your health: non-worshippers were found to have significantly higher levels of stress, based on measures of blood

pressure, heart rate and body mass. This 2017 study by Vanderbilt University was based on a sample of 5,449 adults between the ages of 40 and 65.

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