

APRIL 26,2020

**IDA Diaspora Branch: Brief Internal Financial Audit report (2014-17)/Draft**

It is to be recalled that Irob Development Association ( IDA) Diaspora Branch as a nonprofit association was established in 2014. Since its inception, a number of events and developments are being undertaken. The prime goal among others is raising-funds through various means such as fund-raising events, membership fees, donations, pledges, among others.

As we all know, so far, a remarkable progress have been shown and IDA is believed to be growing well and moving on the right direction. Cognizant to this, one of the fundamental values of IDA, is believed to be its transparency to its members and the entire public with respect to the financial management. Accordingly, the attempt has been made to look into the financial management of the IDA Diaspora Branch for the last four years. However, most has done from the layman viewpoint with utmost good-faith and cannot be seen as an audit report in strict sense. Nevertheless, beyond the numeric figure, I am highly optimistic that, the reflection on the procedural flaws would help as a springboard in attempting to flesh out a professional flavor to the IDA financial management culture.

**Methodology:**

Attempt has been made to thoroughly look in to the financial statements of the IDA bank account /USA/, membership fee list, donations, and pledges of each year/2014/15/16/17). On the same way, based on the information and documents obtained from the representatives of Canada, Europe

and UK, a detail evaluation was undertaken. To this end, the membership fees, donations, pledges as well as contributions collected at the fund-raising events have been carefully computed and assessed in depth. The computation has been made on the basis of the following formula:

{**Current Balance = all monies collected minus (the amount deposited to IDA main Account +Expenses)**}; and the result is compared with the financial report disclosed to the public on March 18, 2018. Click the following link to see the report. [IDA\Minutes from March 18 2018 IDA-Diaspora Conference Call.docx](#)

For convenience purpose, the details are sorted by Regions which constitute IDA-Diaspora branch:

1. USA

Type	2014	2015	2016	2017	Total
Dues from members	\$9,180.00	\$8,040.00+600.00	\$8,100.00+600.00	\$9,780	\$36,300.00
Donation	\$320.00	\$310.00	N/A	\$200.00	\$830.00
Pledge collected	N/A	N/A	N/A	\$27,200.00	\$27,200.00
Expenses					\$2,949.66
Amount wired to IDA Main --					\$37,520.00
Current Balance					\$23,860.34

Remarks:

- The amount of cash on hand was reported to be \$23,664.40. Compared with the current Balance, it was under-reported by **\$195.94** . Despite that, it was confirmed \$23,860.34 is actually available at hand.
- The **current balance** is the amount of cash that is supposed to be on hand until the report date (March 18,2018)

- The receipts for the membership fees are not consistent, and even a receipt number without corresponding amount was observed.
- Two families/couples/ were not in the paid list, but was verified they had actually paid the dues for 2015 and 2016

**2. Canada,**

Type	2014	2015	2016	2017	Total
Dues from members	\$2,220.00	\$1,560.00	\$1,920.00	\$1,620.00	\$7,440.00
Fund-raised	N/A	N/A	N/A	\$13,000.00	\$13,000.00
Pledge collected	N/A	N/A	N/A	\$2,040.00	\$2,040.00
Fundraising Expenses	N/A	N/A	N/A	\$4,445.00	\$4,445.00
Amount wired to IDA main					\$15,000.00
Current Balance					\$3,035.00

Remarks:

- The fundraising expenses (\$4,445.00 CAD) were reported late and was not included in the main report. Apart this, no deviation was observed between the report and audit findings.
- Personal account was temporarily used to keep money, but verified that amount was transferred to the IDA main account

**3. EUROPE:**

Type	2014	2015	2016	2017	Total
Dues from members	\$1,500.00	\$1,020.00	\$1,260.00	\$1,260.00	\$5,040.00
Donation/pledge			\$100.00	\$2010	\$2,110.00
Amount transferred to IDA main Bank Acc.					\$3,880.00

Current Balance		\$3,270.00
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Remarks:

- Compared with current Balance (\$3,270), the report (\$3,230) was short by **\$40**. Irrespective of that report, currently the total amount of \$3,270.00 is actually available at hand and balanced.
- The membership fee payments are relatively consistent and uniform each year
- EU constitutes: Denmark, Sweden and Belgium

4. United Kingdom (UK)

Type	2014	2015	2016	2017	Total
Dues from members	\$1,840.00	\$1,700.00	0.00	0.00	\$3,540.00
Donation/pledge On hand	-	-	-	\$500.00	\$500.00
Wired to IDA Main					\$3,400.00
Current Balance					\$640.00

Remarks:

- The membership fees collected in 2014 and 2015 have been wired to IDA main account.
- No dues were collected in the years 2016 & 2017.No third party was contacted to verify that except the representative.
- The monies collected in 2014 and 2015 are calculated in line of the list of members with their respective contributions which range from 10-300 British Pounds.

- \$1,394.30 was reported available on hand, and compared with that, the current balance looks **\$754.3 short. However, the amount mentioned was noted over-reported as just slipup. This particular region has collected the membership fees only for the first two years and confirmed that amount was transferred to the IDA main account.**
- Pledge collection event was held late after the March 18, 2018 report except one person's contribution, and hence not included in this report.
- For convenience purpose, the British Pound is mentioned as US Dollar
- No expenses reported.

### **Conclusion:**

As tried to indicate above, a detail scrutiny and cross checks of documents have been made in line with the cash on hand, amount transferred to IDA account back home, and the mandatory expenses reported. To this end, though there were minor under-reported and/or over-reported amounts on the report date, that has been figured out and ultimately there are no major issues found and the figure shows no significant deviations between the current balance and the amount reported as available cash on hand. To this effect, all the regions such as USA, Canada, Europe, UK respectively had supposed to have \$23,860.34, \$3,035.00, \$3, 270.00, and \$640.00 on the report date (March 18,2018) which make the total of **\$30,805.34**; and that was confirmed available at hand.

In nutshell, as this is the first internal audit report since IDA's inception, the result related to financial management is found to be promising.

Nevertheless, as to the view of this report organizer, the long term impact of Lack of detail information and organized documents about all regions at head-quarter level, irregularities of

receipt handling, absence of centralized financial flows to the main head-quarter, keeping cash on hand for longer period, a temporary use of personal accounts, lack of consistent and uniformity of membership fees in some regions, should not be underestimated and quest an adequate attention.

On top of that, one of the main goals of IDA is enhancing the confidence of its members and the entire community through the application of transparent financial management system and eventually retaining sustainable public support. To this end therefore, IDA needs to have a clear list of its members, and needs to keep all financial related documents organized and accessible whenever needed. Of course, given the fact of geographical barriers and relatively small number of members, the financial flows and management cannot be as easy as it assumed to be. However, with IDA's growth, definitely the expectations on transparency and formality elements will ultimately upsurge and, perhaps, the seemingly informal financial management practices, which is being observed partly at present, may not convince the community any more. Therefore, it is highly recommended to look for better ways to improve IDA's financial Management procedure to more formal, consistent and transparent than before.

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“Growth is never by mere chance; it is the result of forces working together”

James Cash Penney