

## Attachment 4 of 4 to the December 11, 2007 BTCA Meeting Minutes

<b>Boston Terrier Club of America, Inc.</b> <b>INTERNAL AUDIT REPORT</b>				
<b>PURPOSE:</b>	To determine whether the Boston Terrier Club of America, Inc. is conducting its financial and business processes under an adequate system of internal control.			
<b>SCOPE:</b>	We reviewed the adequacy of internal control (a system in which the operating or recording function can be broken down into elements that are performed by different people each checking the work of the others, the accuracy of the records and the reports to the Board of Directors, the proper authorization of activities and expenditures. We reviewed the tax exempt status. We ascertained if the corporate tax return was filed on a timely manner.			
<b>Audit Committee</b>	Linda Jett and Wanda W. Goodson, CPA			
<b>DATE(S) OF AUDIT:</b>	November 27-December 1, 2007	<b>DATE OF REPORT:</b>	December 4, 2007	
ITEM		AUDIT FINDINGS	CON-FORMS	DOES NOT CONFORM
1		<p>It was determined that there was not adequate internal control. The treasurer receives the income and deposits the income. The treasurer approves disbursements and disburses cash.</p> <p>Recommendation: The income should be received by the committee chair that is responsible for the club activity that generates the income, i.e., the show chairman should receive all income related to the club show, the income should be documented and a copy of the documentation should be sent to the President of the Club. The club chair should then send the income and documentation to the treasurer for deposit. Requests for disbursement of cash should be listed on an expense voucher along with the receipts of the expenses and sent to the President or Committee Chair for approval. These disbursements should conform with the budget allowed for the activity. Upon approval the expense voucher with the original receipts should be sent to the treasurer for disbursement.</p>		X
2		It was determined that the records and the reports to the Board of Directors were accurate and complete.	X	
3		<p>It was determined that there was not proper authorization of activities and expenditures.</p> <p>Recommendation: The authorization of activities and expenditures should be done by someone other than the one disbursing the expenditures according to the budget allowed for the activity.</p>		X

4	<p>It was determined that the tax exempt status was proper and that the corporate income tax was timely filed. The annual corporate report is also timely filed.</p> <p>There is a question whether there should be sales tax returns filed on the items sold by the club for ways and means. This should be discussed and ascertained by the Board of Directors.</p>	X	
---	---	---	--

**AUDIT APPROVED BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_