

Members of the Finance and Budget Committee  
The Synod of the Trinity  
Presbyterian Church (U.S.A.)

In planning and performing our audit of the financial statements of The Synod of the Trinity (Synod) as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Synod's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Synod's internal control. Accordingly, we do not express an opinion on the effectiveness of the Synod's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated June 1, 2015 on the financial statements of the Synod.

We have already discussed these comments and suggestions with various Synod personnel. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and the use of management, members of the Finance and Budget Committee, and others within the Synod, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Maher Duessel*

Harrisburg, Pennsylvania  
June 1, 2015

## **RECORDING OF INVESTMENT ACTIVITY**

The Synod maintains several investment accounts. In order to record activity for these investment accounts, the Synod records transactions through interfund transfer accounts. However, there were unallocated balances in these accounts as of December 31, 2014. We recommend that the Synod properly allocate the activity of these accounts and net the balances to zero at year-end

## **UTILIZING ESTABLISHED CREDIT CARD POLICY**

Currently, the Synod has a credit card policy requiring, among other items, the following items:

1. Detailed receipts be retained and attached to the credit card statements for purchases exceeding \$25.00.
2. All monthly statements submitted for payment have appropriate account number(s) (and/or purpose) and the associated amounts clearly written on the statement.
3. All monthly statements submitted for payment must include the initials of the cardholder.
4. Any personal purchases will be reimbursed via check prior to the payment due date.

During testing of the credit card statements, it was noted that there were several transactions that did not have the required supporting documentation or descriptions attached to the credit card statement. Also, there were several statements which were not initialed by the credit card holder prior to submission to the bookkeeper. Finally, it was noted that an employee did not reimburse the Synod for personal expenses until two months after the statement due date. We recommend that the Synod follow the adopted credit card policy.

## **DEVELOPING A TECHNOLOGY DISASTER RECOVERY PLAN**

An information technology disaster recovery plan describes the procedures necessary to recover from an abnormal disruption in computerized operations. The objectives of disaster recovery are: to ensure that the Synod's information technology personnel are sufficiently prepared and trained in the event of a disaster; to minimize the effects upon the Synod's other operations; and to establish an alternate means of restoring normal information technology operations within a short period of time. The scope of a disaster recovery plan should cover the following issues:

- Identification of critical information technology systems relevant to the daily operations of the Synod
- An assessment of the vulnerability and security of each critical information technology system
- Disaster declaration and notification procedures and assignment of responsibilities to personnel
- Procedures for restoration of critical information technology systems

- Back-up and storage procedures for critical information technology systems including the maintenance of offsite back-ups.
- Any required testing of the plan's disaster recovery procedures to ensure that the plan will function as intended
- An inventory of all critical information technology assets
- A list of employee and vendor contacts

There is no written disaster recovery plan for the Synod's network and servers. We recommend that the Synod prepare a written disaster recovery plan that covers all information systems under the Synod's control.

### **IMPROVING CONTROLS OVER BANK RECONCILIATIONS**

Currently, it is the practice of the Synod to have the Treasurer review the bank statements prior to the Bookkeeper performing the monthly reconciliations. However, the Treasurer is currently involved in the cash receipts and cash disbursements processes, in addition to being an authorized check signer. Strong internal controls require that the individual responsible for reviewing the bank statements be removed from the cash receipts and cash disbursements process. We recommend that either the Executive or Associate Executive review the bank statements before providing them to the Bookkeeper for reconciliation.