



SOBA AMERICA

SOBA America Financial Advisory Board

FROM: SOBA America Financial Advisory Board, SAFAB

TO: SOBA America / President of SOBA America

PURPOSE: INABILITY to conduct financial review due to lack of documentation.

Date: Wednesday May 8th, 2019

Dear SOBA America,

The Board is unable to conduct a limited financial review due to the failure of the Treasurer to completely produce documents requested by the Board. After 5 weeks of back and forth, we have determined that Treasurer is either unable or unwilling to provide this board with the information necessary to conduct a limited financial review and we are hereby submitting these details directly to the General Assembly through the President.

It should be noted that while the Treasurer was unable to provide us details of even something as basic as details on membership dues and sources of income and expenses during the period of June 1st 2018 to February 28th 2019, he did release quarterly statements for those periods, including an unapproved 3rd quarter financial report to the General Assembly. Quarterly statements are done based on all income and expenses, and the inability to provide the details is troubling.

After thoroughly reviewing all information provided by the Treasurer, the SAFAB board concluded that core questions were still left unanswered, and the information received did nothing to shed light on SOBA America's true financial picture. **For example, the Board asked this specific question to the Treasurer:** *Please provide a cross walk reconciliation of names of members and their registration deposits into SOBA America's bank account (per the bank statements), whether separately, or as part of a lumpsum amount, including the date of transfer/deposit.* **The Treasurer's response was:** *The series of emails¹ I sent to you is the means I used to ensure the funds were transferred as received by my CashApp account and then to Soba America's. This is why I had plenty of notes so as to be able to search or review. I realize the search is not 100% but this is the best I could do, else after so many transactions I would reach the Zelle daily limit and have to wait 24 hrs.*

¹ The series of emails refer to Zelle transfers from the Treasurer's personal bank account to SOBA America bank account. One of such emails had the following content "You sent \$500.00 to SASSE ALUMNI ASSOCIATION INC / sent from account ending in 2641 to jnfomenky@gmail.com / Message: From President Sona Bokossa for 5 members of AZ

In working with SOBA America's Financial Team during this short period, the Board can clearly state that there is gross violation of basic financial controls currently in place which poses an enormous risk to the Association. For example, the lack of communication between the Financial Secretary and the Treasurer presents a high risk of inaccuracy in SOBA America's financial reporting. Furthermore, having the same person (Treasurer) have custody of funds and prepare the financial report is a violation of segregation of duties principle and presents a high risk for financial misappropriation, especially when said person is unwilling to cooperate with an independent body mandated by the General Assembly to verify the Association's finances. Furthermore, it has never been a custom of SOBA America that the Treasurer prepares and presents financial reports. This has traditionally been done by the Financial Secretary. These factors combined with several others, lead the Board to the conclusion that SOBA America's financial reports may not be accurate for the time period that these risk factors have existed.

Recommendations

Mindful of the inability of the board to independently verify the fair presentation of SOBA America's finances due to lack of full cooperation of the Treasurer as discussed in paragraph one above, and mindful of the high risk of financial misappropriation due to the current operating nature of the financial team as discussed in paragraph two above, and finally, mindful of the upcoming SOBA America National convention which would involve a significant amount of financial transactions, the Board is making the following recommendations with a scope limited to financial management at the upcoming convention:

1. The President should acquire full bank account access and give same access to the Financial Secretary as soon as possible.
2. The President should designate someone, other than the current Financial Secretary or Treasurer to have custody of funds at the upcoming convention. That person with custody of funds should work in close collaboration with the Financial Secretary who shall keep all financial records of all transactions.
3. At the close of the convention, the person with custody of funds should count and reconcile cash and records of all funds with the presence of the outgoing Financial Secretary, incoming Financial Secretary and incoming Treasurer and deposit said funds at the bank within two days after the close of convention.

Please refer to the related appendices below for details of our experience and specific examples.

Sobanly yours,

A handwritten signature in black ink, appearing to read 'Pierre Kamga', with a stylized flourish at the end.

Pierre Kamga, CPA
Chairman, SAFAB

Appendices

Appendix 1: Initial request to the Treasurer dated 3/13/2019

Appendix 2: Review Decision memo to NLT and document request to Treasurer and Financial Secretary dated 3/20/19

Appendix 3: SAFAB Follow up requests to Treasurer dated 4/17/19

Appendix 4: SAFAB letter to NEC dated 4/8/19

Appendix 5: Timeline of Events and Time Stamps