

30 June 2015

Management
Letter

2015

Audit Examination of the
books and records of

Wikimedia ZA NPC

BRAUDE GORDON & CO.

CHARTERED ACCOUNTANTS (S.A.)
REGISTERED AUDITORS



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OUR REF.

YOUR REF.

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9 May 2016

The Directors:

Wikimedia ZA (NPC)
Twenty Fifty Clubhouse
8 Spin Street
Cape Town
8000

Dear Sirs/ Madams

During the course of our audit examination of the books and records of **Wikimedia ZA NPC** for the year ended **30 June 2015**, we examined certain aspects of the systems of internal control. Accompanying this letter is a report setting out the more important weaknesses noted by us at the time of our examination as well as the accounting errors noted. The report has been discussed with the director, **Douglas Scott** and his comments have been noted.

It should be appreciated that the matters dealt with in this report came to our notice during the conduct of our normal audit procedures therefore our comments cannot be expected to include all those which a more extensive special examination might develop. Should you require any assistance in implementing any of our recommendations, please do not hesitate to contact us.

We wish to take this opportunity of expressing our appreciation of the co-operation and courtesy extended to us by your staff during the course of the interim audit.

Yours faithfully,

Braude Gordon & Co

Leonard Sher CA (SA)
Braude, Gordon & Co.
Partner

(1.)

Proper accounting of activities in the bank statement

Observation

During the course of the audit, it was noted that no proper accounting records, either in the form of schedules, ledger accounts or summaries of the each project were maintained. Money's received and spent could not be allocated the proper project.

Risk/ Impact

- Donors may require feedback at any point in the year regarding how the grant funds were spent. If an accurate report cannot be generated it could result in the donor not donating funds in future.
- A misallocation of funds spent and is very likely to result from this. Funds intended for certain projects could be unintentionally used for other projects leaving a deficit for the original project.

Recommendation

It would be good practice to maintain proper accounting records to ensure each fund proposal has and an accompanying detail report of funds received and funds spent. In so doing you can filter the accounting records at any point in the year to get a "total expenses" relating to a particular project. This will help identify where there is a deficit on a project as soon as possible and also help to pinpoint the reason for the deficit of funding on that project.

Management comments

(2.)

Matching the expenditure to supporting documentation

Observation

During the course of the audit, it was noted that funding spent could not be matched to supporting documentation which would have identified if the funds were spent in line with the purpose of the project.

Risk/ Impact

- Donors may require feedback at any point in the year regarding how the grant funds were spent. If an accurate report cannot be generated it could result in the donor not donating funds in future.
- Directors or members may abuse funding and spend it on personal items

Recommendation

It would be good practice to ensure that all funds spent will have a supplier invoices/ or supporting documentation to identify during the audit if the funds are being spent in line with the project. This will ensure that expenditure in in line with the approved budget

Management comments

(3.)

Matching the expenditure to supporting documentation

Observation

During the course of the audit, it was noted that volunteers involved in a specific project, when requesting and spending money, no supporting schedules detailing what the money was spend for were provided.

Risk/ Impact

- Donors may require feedback at any point in the year regarding how the grant funds were spent. If an accurate report cannot be generated it could result in the donor not donating funds in future.
- Directors or members may abuse funding and spend it on personal items

Recommendation

It would be good practice to ensure that all funds spent will have a supplier invoices/ or supporting documentation to identify during the audit if the funds are being spent in line with the project. This will ensure that expenditure in in line with the approved budget

Management comments