

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)
MANAGEMENT LETTER FOR THE PERIOD FROM 1 January 2019 TO
31 December 2019

BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)

Date: 30 June 2020
Dear Sirs

**BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)
AUDIT FOR THE PERIOD FROM 1 January 2019 TO 31 December 2019**

We have examined the financial statements ("the statement") of the Organization of **BUDDHISM FOR SOCIAL DEVELOPMENT ACTION (BSDA)** ("the Organization") for the period from 1 January 2019 to 31 December 2019. We set out in the attached report certain matters which came to our attention during the course of our audit and which we feel should be formerly drawn to your attention.

It should be appreciated that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily to enable us to express an opinion on the Organization's statement. Our comments cannot therefore be expected to identify all possible improvement in internal control which a more extensive examination might develop. This report details the more significant items which came to our attention during the current audit.

We have prepared this report solely for the use of the Organization's management. As you know, this report forms part of the continuing dialogue between the management and us, and therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason, we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy without our prior written consent, we would not accept any responsibility for any reliance that they might place on it. We would appreciate your response and comments enclosed in the attached report

Finally, we would like to acknowledge the assistance and co-operation extended to us by your staffs during the course of the audit.

Yours faithfully




Priscilla Palad
Audit Partner
V Charterd Accountants Co., Ltd.
Encl

CURRENT YEAR FINDINGS

1. Not Stamped "PAID"

Finding

We noted that there were few invoices and supporting documents no stamp as "PAID" on supporting documents upon payment was made.

Implication

Double payments might be processed if supporting documents were not properly stamped as "PAID" upon payment is made and duplicated entries might be posted into the system if supporting documents were not properly stamped as "POST" once transaction is recorded.

Recommendation

We recommend that all documents should be stamped as "PAID" after the payment is made and transaction is posted into system.

Management Response

We agreed with your finding about the using of stamp paid on settle documents. So BSDA's finance staff will strongly commit to improve with this gap point when transaction was recorded.

2. Payment by cash exceeds cash payment threshold of \$200 for payment.

Finding

We noted that an expenditure amounting \$290 made by cash and based on manual policy expenditure above \$200 is to be made by check. The Organization authorized cash payment to purchase a laptop amounting to \$290 exceeding the cash payment threshold of \$200. In addition, as per inquiry, the purchase of laptop is urgent

Implication

BSDA has once instance of non-compliance with the financial policy regarding the cash payment threshold. Making payments of more than \$200 by cash thus posing the organization to risk of misuse fund.

Recommendation

We recommend BSDA strictly complies with their written policy on cash payments.

Management Response

Yes, we agreed with your finding and of course the BSDA policy have stated "the cash on hand/Petty cash is to use for disbursement only or lower than 200 USD per payment". But however, the Social Enterprise which is a part of BSDA's project and a generate income for sustainability to BSDA's project too. On the other hand, the budget amount 200 USD could not be enough for daily operation at Smile Restaurant for social business. Therefore, we will prepare a memorandum to verify that the Social Enterprise is a generate income project and the cash on hand should be more than 200 USD for other supporting on daily operation of Smile Restaurant.

Recommendation

We recommend that management should not exceed the cash payment threshold with complete information and as part of the project and generate income for sustainability.

Status of Implementation

Not fully implemented

PRIOR YEAR FINDINGS

1. CASH

Finding

As at 31 December 2018, there was a large balance of cash on hand held at the office for social enterprise. From your understanding, there is policy on limiting the amount of cash on hand held at the office amounting to US\$200.

Recommendation

The Management should follow the accounting policy on the threshold for cash on hand in the policy. Having cash at the bank is more secure, and the Organization could earn the interest.

Status of Implementation

Fully Implemented

2. Supplier invoices using BSDA's logo

Finding

During the course of inspection of expenses, we have noticed some supporting documents were issued and prepared on BSDA's logo and not providing the supplier's invoices.

Recommendation

We recommend that management should find supplier that has original document with complete information such as name of the person and phone number for evidence.

Status of Implementation

Not fully implemented.