

independent review or even audit by an accounting firm, but these can be expensive. We believe a review by a person who does not have access to any of the HOA funds or the ability to edit the HOA financial books & records is sufficient.

- Ideally this independent reviewer (“Reviewer”) would be a member of the HOA who is not currently a Board member (or residing in the same household as a Board member). However, we recognize it may be difficult to find volunteers with the appropriate skill sets and willingness to serve, so the review could be performed by a current Board member who does not have access to any of the HOA funds or the ability to edit the HOA financial books & records, or by a person residing in the same household with a current Board member who does not have access to any of the HOA funds or the ability to edit the HOA financial books & records.
- To enable them to properly perform their role:
 - The Reviewer shall be given “read only” access to the Google Drive folder where accounting support for transactions is maintained.
 - The Reviewer should directly receive the bank statements (either by mail or through online access) although the Reviewer should not be given access to execute any transactions in any bank accounts.
 - The Reviewer shall be provided with a copy of the monthly bank statement reconciliations for the quarter.
 - The Reviewer shall determine what reports from Quickbooks they will need to adequately perform their review, and the Treasurer shall run those reports and send them to Reviewer.
 - The Reviewer shall be included on all distributions of the approved budget, monthly transaction reports, and financial statements presented to the Board, and other information as may become necessary.
- The review would be timely performed each quarter and would include:
 - A review of the bank statement reconciliations
 - Select several transactions at random and review for proper authorization, support (e.g. valid invoice, legitimate vendor) and posting to Quickbooks.
 - Verify that the quarterly financials, as presented, are reasonable by adding the totals from the monthly transaction reports, by high level category, to the ending balance for the prior quarter’s report. Investigate any discrepancies.
 - Reconcile the number of homes being reported as past due with the total expected dues yet to be collected. Review reports of collection activity to ensure that collection efforts are continuing, and there are no unusual transactions where deposits are posted and then reversed.
- Reviewer shall report the results of each quarter’s review at the next Board meeting.

Conclusion

No system of controls can fully safeguard an organization from human error, collusion, or deliberate malfeasance. However, controls can serve as a deterrent, and may detect errors both intentional and unintentional. A strong control environment also provides reassurance to