

INPUTS TRANSMITTED TO STRATEGIC AUDIT FOR THEIR 2022 AUDIT OF THE UEF AND ALL ACCOUNTS RELATED TO THE MATHS PROJECT

Below is all the data that has been submitted to Strategic Audit to serve as a basis for their audit of us. There are three emails (listed in chronological order), and only the first email had an attachment, which is the following spreadsheet prepared by Peggie listing the payments made from his Capitec account for the project:

https://umhlatuzana-education-fund.org/wp/wp-content/uploads/2023/01/sub-to-Jan-CapitecTransactionHistory_19022022-18082022.xls

MESSAGE A:

----- Message transféré -----

Sujet :Inputs for the Umhlatuzana Education Fund audit

Date :Tue, 10 Jan 2023 09:48:44 -0800

De :Martin Bucher <m.aaron.bucher@gmail.com>

Pour :Ashvir Dhuki <info@strategicaudit.co.za>, Kashin Pillay
<Kashin@strategicaudit.co.za>

Copie à :Dorina Bowes <dorina60.bowes@gmail.com>

Hi Ashvir (and Kashin),

Best wishes for 2023 to you and your staff.

Here is an initial submission for the UEF audit. I apologize that this is not more organized at this point. Several of these inputs were received only yesterday.

Under the requests below, for (1) and (2) the bank statements are almost complete, and what I have I have uploaded to the following webpage (at the very bottom of the webpage):

<https://umhlatuzana-education-fund.org/board/>

There are two UEF bank accounts, and also a Rotary ring-fenced bank account used for the maths project. As we discussed, we would like our 2022 Annual Report to reflect all the spending for maths project for the calendar year 2022 exercise, and part of this is from the Rotary Club of Durban Umhlatuzana ring-fenced maths project account, as the UEF was not registered until 22 March 2022. There was a non-negligible balance in this account carried over from the end of 2021. All the remaining credits for the maths project have been transferred to the UEF general account in December 2022. (There is a balance of R 500 transferred from the general RCDC to keep this account open so it could be used for another project, but this should not be considered as part of the maths project.) Of course, for the CIPC and SARS filings we will need a summary that includes only the UEF part.

For (3), the way the finances were handled in 2022 was non-ideal. This has been discussed and we will change our practices for 2023. Many of the expenses were paid from a personal account of Mr Peggie NAIDOO, the person most involved with the project on the ground, and the UEF and RCDC Treasurer for 2022 (Ms Jan THATHIAH) reimbursed Mr NAIDOO

for these disbursements through a number of larger payments into that account.

Mr NAIDOO has provided us with an Excel spreadsheet of these expenses (attached below) and 16 pages of scans of receipts, which can be found in the following Dropbox folder:

https://www.dropbox.com/sh/w365rccmrsayc1b/AADQbcnyJDPR4HN9NO_HEv_xa?dl=0

If you would like, I can combine these files into a single PDF file.

Mr NAIDOO has removed his personal transactions from this spreadsheet. Would you need scans of the original bank statements from the account of Mr NAIDOO so that the correctness of the spreadsheet can be verified? He has offered to provide these if you would like.

I have not yet checked whether everything balances. I will look at this more closely now that we have received all (or almost all) the documentation.

For (4) and (5), this is something that I have and can put together for you for tomorrow. [There will be a slight lag because I am in California for work (which is 10 hours earlier than Durban), and will be here until the end of the month.]

I look forward to hearing from you concerning what else you need and how best to proceed. I apologize that this is not more organized and am available to help as best as I can together with the others in our team.

Best regards,

Martin

PS With respect to the bank statements (or in some cases transactions), I have identified two gaps that cannot be filled by comparing balances, in some cases taking into account predictable bank charges. Please let me know if you identify any others. I quote from an email to Jan THATHIAH from last night:

"As far as I can see, we still have two gaps that need to be filled:

1. FNB UEF Global Grant Account (63015620908). The latest statement is from 22 Dec with a balance of R 17,975.87 CR. Would we not want need to provide documentation showing the state of the account on 31 Dec for the auditor? Could you print out the current balance so we have some documentation? I would think the auditor would need some tangible evidence rather than saying that there is no statement because there were no transactions.
2. With the RCDU maths project ring-fenced account, we need to show what the balance was on 1 January 2022. I tried to see whether the one could infer this from the statements from 2021, but this does not seem possible. The balance on 28 Jan 2022 is R 60 014.04 and the latest available balance in 2021 is from 10 Dec 2021 at R 54 388.38. There are obviously some undocumented transactions during this gap beyond the predictable bank

charges. Would you be able to request the relevant statement from Standard bank? This seems to be the way to go."

Le 06/12/2022 à 06:19, Ashvir Dhuki a écrit :

Hi Martin

As per our zoom meeting, we intend to have the audit completed by 25 January 2023.

If I can have the followings documents by the 10 January it will give me time to prepare accordingly

1. Bank statements for the period 01 January 2022 to 31 December 2022
2. A history of all income and expenses going through the other bank account (Rotary)
3. All invoices and supporting documents for purchases made for the period 01 January 2022 to 31 December 2022
4. All donor funding agreements for donations received for the period 01 January 2022 to 31 December 2022
5. All receipts for other donations for the period 01 January 2022 to 31 December 2022

Once we get this, we can get started and if there are any queries we will liaise.

MESSAGE B:

----- Message transféré -----

Sujet :Additional inputs for the 2022

Date :Wed, 11 Jan 2023 18:11:35 -0800

De :Martin Bucher <m.aaron.bucher@gmail.com>

Pour :Ashvir Dhuki <info@strategicaudit.co.za>, Kashin Pillay
<Kashin@strategicaudit.co.za>

Copie à :Dorina Bowes <dorina60.bowes@gmail.com>

Dear Ashvir and Kashim,

In my previous email of 10 January, I provided you with many of the inputs requested for the audit.

As promised, below I provide the information on (citing your email of 5 December)

- "4. All donor funding agreements for donations received for the period 01 January 2022 to 31 December 2022
5. All receipts for other donations for the period 01 January 2022 to 31 December 2022"

Please let me know if you have any questions.

We look forward to your feedback on what more inputs, documentation, or explanation you may need.

Best wishes,

Martin

PS. Here goes:

Explanation of funding received during 2022 calendar year

1. Most of the funds spent in 2022 are from previous donations, which were in the RCDU ring-fenced maths project account on 1 January 2022, before the registration of the UEF (on 22 March 2022). There is no formal agreement but it was understood that these funds must be used for the maths project.

2. Donations received in 2022.

a) Pinetown Rotary Club Trust

There are two donations, one for R 25 000 [received 2 September in the UEF general account]

and a subsequent donation of R 10 000 [received 3 November 2022 in the UEF general account]

Most of this history is documented in the request letter for the second gift:

<https://umhlatuzana-education-fund.org/wp/wp-content/uploads/2022/11/PinetownRotaryClubTrust.pdf>

In a nutshell, the R 10 000 is to be applied to expenses incurred before 20 October 2022, for which global grant funds cannot be used, and the R 25 000 gift is a contribution to the Rotary Global grant, described further below.

b) Rotary District Grant R 4 850 (transferred from Rotary main account into RCDU ring-fenced maths project account on 12 Dec 2022)

These funds are to be spent on the maths project for expenses incurred from 1 July 2022 through 31 December 2022. [These credits should be applied to expenses incurred prior to 20 October, for which the Rotary Global Grant funds cannot be applied.] The essential terms of the grant can be found in the document:

<https://umhlatuzana-education-fund.org/wp/wp-content/uploads/2023/01/district-grant-application2022v0.3.pdf>

c) Rotary Global grant

Documentation:

Final approved grant application:

<https://umhlatuzana-education-fund.org/wp/wp-content/uploads/2022/11/ggFinalApproved20oct2022.pdf>

Letter requesting exception to rules:

<https://umhlatuzana-education-fund.org/wp/wp-content/uploads/2022/11/CorrespondenceWithRF27October.pdf>

Rotary Global Grant Rules (applicable to all global grants):

<https://umhlatuzana-education-fund.org/wp/wp-content/uploads/2022/09/terms-conditions-rotary-foundation-global-grants-en.pdf>

Explanation:

The global grant includes the following funding, and in the application there is a schematic budget for the same amount.

1 Cash from Club Durban Umhlatuzana	1,000.00 USD
2 District Designated Fund (DDF) 5340	5,000.00 USD
3 Cash from Club Pinetown	1,506.00 USD
4 District Designated Fund (DDF) 9370	4,500.00 USD
5 Cash from Club Los Alamos	4,000.00 USD
6 The Rotary Foundation Donor Advised Fund Orphans Relief Programs - 717	5,000.00 USD
7 District Designated Fund (DDF) 5520	4,000.00 USD
8 Rotary Foundation World Fund Contribution	10,800.00 USD

Total funding: -----
35,806.00 USD

The funding according to the rules can be used only for expenses incurred for the maths project on or after 20 October 2022, which is the date when the grant was formally approved by the Rotary Foundation.

GG funds must be kept in a separate bank account.

All South Africa sourced funding, namely (1) and (3) was deposited into the UEF Global Grant account, using an old exchange rate 1 USD = 16.6 ZAR in effect when the grant was written. This corresponds to 16,600 ZAR and 25 000 ZAR, respectively.

The rest of the funds were paid into a special separate bank account of the Foundation of the Rotary Club of Los Alamos, New Mexico, USA in USD dollars.

This account also includes an unrestricted donation for Ms Kathleen Grzegorek of 250 USD for the maths project.

Funds will be transferred to the UEF Global Grant account on an as needed basis by the Foundation of the Rotary Club of Los Alamos, New Mexico, USA to execute the project in accordance with the grant application.

I can send a bank statement for this USD account of the Foundation of the Rotary Club of Los Alamos, New Mexico, USA if needed.

It is anticipated that all the global grant funds will have been spent by the end of 2023.

Further notes

There are a few transactions that were incorrectly made and reversed, which should be obvious. Money was put in the wrong account. These should be obvious to spot.

There was a 7000 ZAR fraudulent transfer from the RCDU Maths Project account to the RCDU main account, followed by a transfer to a Nedbank account. Standard Bank returned the stolen money and there is a matching 7000 ZAR transfer back into the RCDU Maths Project account.

MESSAGE C:

Sujet : Fwd: Additional inputs for the 2022 calendar year Umhlatuzana Education Fund audit

Date : Fri, 13 Jan 2023 17:25:12 -0800

De : Martin Bucher <m.aaron.bucher@gmail.com>

Pour : Ashvir Dhuki <info@strategicaudit.co.za>, Kashin Pillay <Kashin@strategicaudit.co.za>

Copie à : Dorina Bowes <dorina60.bowes@gmail.com>

Dear Ashvir and Kashim,

Let me supplement the email below with the following:

1. On page 9 of the following document are listed the source of the funds for the maths project at the beginning of the exercise (on 1 January 2022):

https://umhlatuzana-education-fund.org/wp/wp-content/uploads/2022/06/marianridge-mathematics-proposal_6.pdf

I am not sure whether you need this but I include it for completeness.

2. As to the funds for the global grant held in the account of the Foundation of the Rotary Club of Los Alamos, here is a link to some supporting documentation concerning the bank account balances:

<https://umhlatuzana-education-fund.org/wp/wp->

content/uploads/2023/01/los_amos_rc_foundation_7dec2022bankSnapshot.pdf

and there is 250 USD in this account from another gift documented in the following file:

<https://umhlatuzana-education-fund.org/wp/wp-content/uploads/2023/01/kathyGiftRecord.pdf>

Regards,

Martin