

Compensating Controls Evidence Pack — FY2025: two-page excerpt

Riverbend Youth Services, Inc. (fictional sample) · Sections 3 and 4 of the full pack: monthly reviews performed and exception log · Full pack: treasurerreview.com

Context. The FY2024 management letter noted that the Finance Manager records transactions, initiates electronic payments and prepares bank reconciliations with no independent review. The Board adopted a compensating control on Aug 5, 2025: independent monthly review of all bank and credit-card statements and reconciliations by the Board Treasurer within 15 days of month-end, using a fixed checklist, with an exception log and this annual pack. The two tables below are the record of that control for the year.

Monthly reviews performed

Month	Reconciliation prepared by	Reviewer	Signed off	Status	Exceptions
Jul 2025	Northline (L. Ortega, prep.)	P. Nair	Aug 9, 2025	Completed	0
Aug 2025	Northline	P. Nair	Sep 11, 2025	Completed	1
Sep 2025	Northline	P. Nair	Oct 8, 2025	Completed	0
Oct 2025	Northline	P. Nair	Nov 20, 2025	Late (day 20)	1
Nov 2025	Northline	M. Bell (alternate)	Dec 12, 2025	Completed	0
Dec 2025	Northline	P. Nair	Jan 10, 2026	Completed	2
Jan 2026	Northline	P. Nair	—	Missed — deferred by Chair, see note	—
Feb 2026	Northline	P. Nair	Mar 9, 2026	Completed (Jan items included)	1
Mar 2026	Northline	P. Nair	Apr 7, 2026	Completed	0
Apr 2026	Northline	P. Nair	May 12, 2026	Completed	0
May 2026	Northline	P. Nair	Jun 10, 2026	Completed	1
Jun 2026	Northline	P. Nair	Jul 13, 2026	Completed	0

Completeness summary: 11 of 12 months reviewed; 10 on time, 1 late, 1 missed. January 2026 was deferred by the Board Chair on Feb 3, 2026 (Treasurer on medical leave; alternate unavailable during audit fieldwork) and its items were reviewed together with February. Reviewer independence was confirmed on each monthly checklist. Statement source for every month: Treasurer's read-only online banking access, granted Jul 28, 2025. No monthly checklist was edited after sign-off; corrections appear only as exception entries.

Exception log

#	Month	Exception	Owner	Resolution	Closed
E-01	Aug 2025	ACH \$3,180 to new payee "Summit Facility Svcs" — no second approval evidenced	L. Ortega	Invoice located; ED approval obtained retroactively; vendor added to approved list; ED reminded that approval precedes payment	Sep 18, 2025
E-02	Oct 2025	Reconciling item \$1,240 outstanding 47 days (deposit in transit)	Northline	Duplicate deposit entry reversed; corrected in Nov close	Nov 25, 2025
E-03	Dec 2025	Debit card: \$412 restaurant charge, no receipt	D. Whitfield	Receipt provided (donor dinner, 6 attendees); card policy re-circulated	Jan 14, 2026
E-04	Dec 2025	Check #4471 voided, #4472 missing from sequence	L. Ortega	#4472 located: printer jam, destroyed; void recorded	Jan 14, 2026
E-05	Feb 2026	Payroll register total differs from bank by \$96.40	Northline	Bank fee posted to payroll account; reclassified	Mar 12, 2026
E-06	May 2026	Wire \$9,800 to grant subrecipient — approval by ED present, but initiated and approved same day by same login	L. Ortega / D. Whitfield	Confirmed separate persons; bank dual-control setting enabled so system enforces it going forward	Jun 2, 2026

All six exceptions closed in writing. None resulted in a loss. E-06 led to a system change (bank dual control), recorded as a control improvement.

What the full pack adds: the finding and the control as adopted, the roles matrix by person, a reproduced signed monthly checklist, change history, and Board oversight dates. The pack documents and operates the compensating controls adopted in response to a segregation-of-duties finding; reviewer independence is determined by the board and remains subject to evaluation by the organization's auditor.

Riverbend Youth Services, Northline Nonprofit Accounting and all names and figures in this excerpt are fictional and used only to illustrate the format.