

# THINC, Inc.

Taconic Health Information Network and Community

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THINC Financial Oversight Committee Meeting  
June 2, 2009, 2:00pm-3:00pm

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## **ATTENDEES:**

**Committee members:** Mike Duffy, Paul Kaye, MD; Robert Savage

**Non-Committee members:** Susan Stuard, Asha Upadhyay, Allison Laquidara, Deborah Bailey Browne, Michelle O'Reilly, Wayne Sauer

## **I. INTRODUCTION**

A motion was made and seconded to approve the December 2008 Financial Oversight Committee meeting minutes.

## **II. THINC 2008 AUDITED FINANCIALS**

Deborah Bailey Browne and Michelle O'Reilly of Bailey Browne CPA & Associates were welcomed by the committee. Bailey Browne CPA & Associates completed an A-133 audit for 2008. The audit was conducted in accordance with generally accepted standards in the United States as well as with standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Bailey Browne CPA & Associates informed the committee that the THINC financial statements produced an unqualified opinion and everything is fairly stated. Deborah Bailey Browne continued to discuss the audit reports (please see attached) with the committee covering statements of financial position, statements of activities and statements of cash flows. Deborah Bailey Browne also stated that overall operation is running well.

## **III. MANAGEMENT SUGGESTION LETTER**

In performing the 2008 audit of financial statements for THINC, Bailey Browne CPA & Associates purposed the following suggestions to strengthen internal controls and operating efficiency to the Board of Directors and Management of THINC.

Fraud Risk Assessment Program: the recommendation was made to implement a formal written fraud risk assessment program.

Accounting Procedures Manual: through the audit process Deborah Bailey Browne noted that THINC does not have a formal accounting procedures manual. It was the recommendation of Bailey Browne CPA & Associates to develop an accounting procedures manual.

Controls over Computers: it was noted during the audit process that the passwords on the organizations computers were not periodically changed. Bailey Browne CPA & Associates recommended that a formal policy be implemented to periodically change passwords to avoid unauthorized access.

Use of a Standard Journal Entries Form: Bailey Browne CPA & Associates recommended that a columnar worksheet designed to accommodate 12 months' entries be developed and used for standard recurring entries.

Authorized Signors: during the audit it was noted that MedAllies' Controller was listed as an authorized signor on cash accounts, an artifact of when finances had been handled by this individual. Bailey Browne CPA & Associates recommended the removal of MedAllies' Controller as an authorized signor from all accounts.

Useful Lives of Fixed Assets: Bailey Browne CPA & Associates recommended a review of fixed assets on a yearly basis to ensure they are properly being depreciated.

Account Classifications: during the audit it was noted that an accounts receivable balance was recorded as accrued revenue receivable. Bailey Browne CPA & Associates noted that although the amount is properly included in accounts receivable in the financial statements, any accounts receivable should be recorded using the appropriate module in QuickBooks. This will allow THINC to monitor and measure the collectability of accounts receivable through an aging schedule.

Budget: during the audit it was noted that THINC does not budget for income tax expense. Bailey Browne CPA & Associates recommended that until the approval from the IRS for tax exempt status comes through income tax expense should be included in the budget to more accurately represent the expenses of the organization.

Supplies Acquisitions: during the audit it was noted that THINC does not have a corporate credit card. Bailey Browne CPA & Associates recommended THINC obtain a corporate credit card in order to pay for supplies and avoid employees handling charges on their personal credit cards.

Standardization of Reporting, Documentation and Recordkeeping: Bailey Browne CPA & Associates noted that THINC receives a significant amount of funds from a related organization for operations that is recorded as a service agreement, however, there is no formal contract in place to document the funding agreement. It was the recommendation of Bailey Browne CPA & Associates to obtain a signed contract that outlines the funding terms.

### **III. NEW BUSINESS**

The finance committee will meet again on July 27, 2009 at 11:00am. During that time Susan Stuard will address the issues raised from the management suggestion letter. The committee agreed that if the resolutions to the issues are low in cost, the committee directs management to address the issues appropriately and move THINC forward.

There being no further business the meeting was adjourned at 2:45pm.