


CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

December 2, 2008

To: Brad Evans, CEO
Mike Cunningham, CFO

From:  Dave Smith, Vice President Administration
Dan Knecht, Manager Administrative Services

Subject: November audit for financial transaction approval signatures

We have completed the November audit of randomly selected financial transactions. We received a list of 25 randomly selected transactions generated by IS from the financial system. Using that list we retrieved the backup documentation and reviewed the approval signatures or ensured the items generated from Purchase Orders had completed the 3-way match process.

- 18 were paid against Purchase Orders or Contracts and were approved via the 3-way matching process or the Contract payment process.
- 1 was a Petty Cash Voucher authorized by Signature Authority approval.
- 2 were check requests with authorizing Signature Authority approval
- 4 were invoices verified by comparing signatures with the Signature Authority Matrix.