**2016 Audit Procedures**

**Diocese of the Central Gulf Coast**

Both the national Canons (Canon 6, Sec. 5) and the Diocesan Canons (Canon 10, Sec. 2) require that all congregations be audited annually. These audits are to be completed and submitted to the Diocesan office by September 1st of the next year.

Please note that new/updated audit procedures are still being finalized and will be released once approved. They will included checklists and examples. In the meantime, please continue to use these.

\*\*\*\*\*\*\*\*\*\*\*\*\*\*

Large congregations with multiple accounts and savings and trust funds are encouraged to have an audit done by a Certified Public Accountant or Licensed Public Accountant. However, it is recognized that the cost of hiring these professional services sometimes is prohibitive. Therefore, provision has been made to engage an audit committee; and such a committee is authorized by the Commission on Finance of the Diocese as follows:

The audit committee shall consist of three qualified members of the parish or mission, appointed by the vestry and approved by the rector or vicar. The members of the audit committee should be knowledgeable about finances and accounting matters and none shall have acted as treasurer or bookkeeper of the parish or mission being audited during the period being audited. **No one who has acted as Treasurer, Bookkeeper, Financial Secretary, nor any Clergy, during the period being audited shall serve on the audit committee. In addition, anyone who has deposit responsibilities or check signing authority during the period being audited cannot serve on the audit committee.**

Whether done by a CPA, LPA or congregation audit committee, where practicable, the following minimum steps should be included in the audit:

(1) Verify that all monies pledged and paid to the church are properly recorded.

 A. If there is a Teller's Committee, review their procedure and random check their reports, or

 B. Control mailing of year-end statements.

 C. Confirm random 10% of pledging units

(Special attention should be paid to loose monies in the collection plate and the procedures for accounting for them.)

Audit Procedures

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(2) Review two months (random selection) of disbursements, checking support, purpose and authorization. Reconcile those two months' bank statements.

(3) Reconcile all year-end fund balances.

(4) Review and submit year-end annual statement of congregation. Are all funds reported? Does this balance to the Parochial Report?

(5) Look at procedures: Looseness of authority, signature, negotiable securities, etc.

The Diocesan policy regarding signatures is as follows:

The Finance Committee approves the use of one signature on parish and mission checks if it is the signature of the Treasurer, Senior Warden or the Rector/Vicar; or any two persons. In either case, those authorized to sign must be approved by resolution of the vestry.

(6) When the audit is completed and has been reviewed with the vestry, please submit your report to the Diocesan office using the attached form. You may also use the sample forms attached to present the financial statement -- at least be sure all the information requested is included.

To facilitate establishing a system that will reflect adequate and accurate accounting, please refer to the *Manual of Business Methods in Church Affairs* adopted by the Episcopal Church. If you would like a copy of this Manual, it can be downloaded for free from [www.episcopalchurch.org/finance/](http://www.episcopalchurch.org/finance/) or from the Diocesan website at [www.diocgc.org/administrative-resources](http://www.diocgc.org/administrative-resources) .

If you have any questions regarding the above, please contact the Diocesan office at 850-434-7337.

 **(Use your church's letterhead)**

 We have examined the financial statements of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (name of church)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, for the year\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Our examination was made in accordance with the guidelines prescribed by the Commission on Finance of the Diocese of the Central Gulf Coast, and, accordingly, includes the audit procedures prescribed and such other procedures as we considered necessary. We have reviewed this audit with the vestry.

 In our opinion, the accompanying financial statements are fairly stated.

Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

AUDIT COMMITTEE (**must be** **someone other than the Treasurer, Bookkeeper, Financial Secretary, Clergy, or anyone who has check deposit responsibilities or check signing authority during period in question)**

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(Note: Any significant, unresolved differences should be described in a separate paragraph.)

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 **2016**

 **AUDIT REPORT**

CONGREGATION\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |
| --- |
|  DEPOSITORIES, SAVINGS & INVESTMENTS |
|  |  As of 12/31/15 |  As of 12/31/16 |
| CASH/PETTY CASH ON HAND |  |  |
| CHECKING ACCOUNTS: |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| SAVINGS ACCOUNTS: |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| INVESTMENTS: | Due Date | Rate |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **TOTALS** |  |  |
| CHANGES FROM 2015 - 2016 |  |  |

 Page 2 of 4

Congregation:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(continued)

 **FOR THE YEAR 2016**

|  |
| --- |
|  **RECEIPTS** |
| PLEDGES |  |
| OFFERINGS |  |
| INVESTMENT/INTEREST INCOME |  |
| GIFTS |  |
| DESIGNATED FUND ADDITIONS: |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| OTHER: |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| **TOTAL** |  |

 Page 3 of 4

Congregation:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(continued)

 **FOR THE YEAR 2016**

|  |
| --- |
|  **EXPENDITURES**  |
| Debt retirement |  |  |  |  |
| Salaries & wages (including fringe benefits) |  |  |  |  |
| Stewardship - Diocese |  |  |  |  |
|  Rector Discretionary |  |  |  |  |
|  Other |  |  |  |  |
| Education (including EYC) |  |  |  |  |
| GENERAL OPERATIONS: |  |  |  |  |
|  Office |  |  |  |  |
|  Janitor/Sexton |  |  |  |  |
|  Insurance - General & liability |  |  |  |  |
|  Utilities - all |  |  |  |  |
|  Altar, Music, Choir |  |  |  |  |
|  Other: |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  SUBTOTAL |  |  |  |  |
| CAPITAL ITEMS: |  |  |  |  |
|  Maintenance & Repair |  |  |  |  |
|  Projects: |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  SUBTOTAL |  |  |  |  |
| DESIGNATED/SPECIAL FUNDS: |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  SUBTOTAL |  |  |  |  |
| TOTAL |  |  |  |  |

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Congregation:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(continued)

 **FOR THE YEAR 2016**

|  |
| --- |
|  **REAL ESTATE VALUES** |
| LAND |  | $ |
|  BUILDINGS (List) | INSURED FOR |  VALUE |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  CONTENTS (List by building) |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **TOTAL Value of land/buildings & contents** |  |  |
|  **INDEBTEDNESS** |
|  Mortgages Payable |  Rate/Terms |  Monthly Payments |
|  |  |  |
|  |  |  |
|  |  |  |
|  **OTHER DEBTS**  |
|   |  |  |
|  |  |  |
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|  |  |  |