

2019 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.

Large congregations with multiple accounts and savings and trust funds need 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 for smaller churches. 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.)

- (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/.

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)**

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

Year Ending: **2019**
AUDIT REPORT

CONGREGATION _____

DEPOSITORIES, SAVINGS & INVESTMENTS				
			As of 12/31/18	As of 12/31/19
CASH/PETTY CASH ON HAND				
CHECKING ACCOUNTS:				
SAVINGS ACCOUNTS:				
INVESTMENTS:			Due Date	Rate
TOTALS				
CHANGES FROM 2018 - 2019				

Congregation: _____ (continued)

FOR THE YEAR 2019

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

Congregation: _____ (continued)

FOR THE YEAR 2019

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				

Congregation: _____ (continued)

FOR THE YEAR 2019

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		