

## Small Parish - Audit Program

*To be completed by the Audit Committee*

A committee member should answer each item. If an item is not applicable, please provide a reason on the line.

### 1. General Information:

Parish or Shared Ministry \_\_\_\_\_  
 Address \_\_\_\_\_  
 Telephone \_\_\_\_\_  
 Rector \_\_\_\_\_  
 Senior Warden \_\_\_\_\_  
 Junior Warden \_\_\_\_\_  
 Treasurer \_\_\_\_\_  
 Records Maintained by \_\_\_\_\_  
 Financial Records Located at \_\_\_\_\_

What is the amount on Line G (Total All Expenses) of your 2019 Parochial Report? \_\_\_\_\_

Name of Accounting Software used, if any?

Name of Payroll Service used, of any?

Audit Completion date \_\_\_\_\_

List of persons participating in the Audit:

Name	Title

### 1. Documents Required for Review:

Annual financial report to parish	Yes <input checked="" type="checkbox"/>
Annual Parochial Report (accompanied by reconciliation to books & records)	Yes <input checked="" type="checkbox"/>
Names of those authorized for check signing, fund withdrawal or transfer.	Yes <input checked="" type="checkbox"/>
List of securities held	Yes <input checked="" type="checkbox"/>
Budget	Yes <input checked="" type="checkbox"/>
Bank statements for year audited.	Yes <input checked="" type="checkbox"/>
Paid invoices and deposit counter sheets	Yes <input checked="" type="checkbox"/>
Payroll records with Forms I-9, W-2, W-3, W-4, and Federal, state and local withholding records	Yes <input checked="" type="checkbox"/>
Savings account passbooks	Yes <input checked="" type="checkbox"/>
Other investment records	Yes <input checked="" type="checkbox"/>

## 2. Financial Reporting

Review the Annual Financial report to parish. Does the report include:	Yes    No	If No, Please explain exceptions.
1. Year-end Balance Sheet 2. Year-end Income & Expense Statement 3. Budget to Actual Comparison 4. Discussion of significant variances from the budget.		
Compare the current year statement of income and expense to the prior year and ask for an explanation for any account with a variance of 10% that is greater than \$1,000. Determine if the explanations are reasonable.		Please identify any exceptions:
Review the Annual Parochial Report and		If No, please explain exceptions:

<p>determine:</p> <ol style="list-style-type: none"> <li>1. The Parochial Report was reviewed and approved by vestry.</li> <li>2. Line 14 of the Parochial Report agrees to the total operating expenses in the report Financial Report to the Annual Meeting. If different ask for a reconciliation.</li> </ol>	Yes      No Yes      No	
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### 3. Cash:

<p>Does your parish have a petty cash fund?</p> <p>If Yes:</p> <ol style="list-style-type: none"> <li>a) Is it maintained in a secure place?</li> <li>b) Count the fund. The total of the cash plus receipts should add to the petty cash fund balance.</li> </ol>	Yes      No	If No, please explain exceptions:
<p>Are all checking accounts (including Discretionary funds and Episcopal Church Women) in the name of the congregation using its Federal Employer Identification number?</p>	Yes      No	If No, please explain exceptions:
<p>Ensure all the parish checking accounts reconciled on a monthly basis.</p> <ol style="list-style-type: none"> <li>a) Review the year-end bank reconciliation to insure it is complete.</li> <li>b) Review the list of open checks and deposits and inquire about those older than six months.</li> <li>c) Randomly select two other months and review the reconciliations are complete.</li> </ol>		Please identify any exceptions:
<p>Review each month's banks statements. For each any deposit over \$5,000 review and discuss the nature of the deposit with treasurer and determine if the deposit is</p>		Please identify any exceptions:

reasonable and supported with the proper documentation.		
Review each month's banks statements. For each any check or debit entry over \$2,500 (other than payroll) and review and discuss the nature of the payment with treasurer and determine if it is reasonable.	Please identify any exceptions:	
Are two signatures required on all checks?	Yes      No	If No, please explain exception:
Does the parish write checks to "Cash"? If so, is documentation provided to support checks written to "Cash"?	Yes      No	If No, please explain exception:
Are the following safe guards employed in preparing the Sunday deposits? <ol style="list-style-type: none"> <li>1. The Sunday offering is counted by two unrelated individuals</li> <li>2. The deposit is made by someone other than the person who enters the deposit into the accounting system or check register.</li> </ol>	Yes      No	If No, please explain exception:

#### 4. Parish Credit Cards

Has the vestry adopted policies regarding appropriate use and reporting requirements? (See Model Policies for example)	Yes      No	If No, please explain exception:
Does the policy prohibit personal use?	Yes      No	If No, please explain exception:
Select three months and review the credit card statements. Is documentation on file that substantiates what goods or services were purchased for each transaction? Do	Yes      No	If No, please explain exception:

all the transactions appear to be appropriate?		
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### 5. Pledges and Giving Records:

Are individual giving statements sent out at least twice a year?	Yes    No	If No, please explain exception:
Do the giving statements include a statement that any goods or services provided consist solely of intangible religious benefits?	Yes    No	If No, please explain exception:

### 6. Endowment and Securities: (if none, skip to #7)

Obtain a list of investments (securities) as of the year-end. Review the year-end brokerage statements and compare the balances to the balances recorded on the balance sheet. Note if the balances are not in agreement or not included in the balance sheet.	Please identify any exceptions:	
Obtain any explanations and documentation for any significant deposits, transfers or withdrawals during the year.	Please identify any exceptions:	

### 7. Payroll

Has all payroll withholding tax payments been made on time?	Yes    No	If No, please explain exception:
Did all employees get W-2? Are copies on file?	Yes    No	If No, please explain exception:

Is there a current, signed W-4 on hand for each employee?	Yes      No	If No, please explain exception:
If the clergy is paid a Housing Allowance, has a housing resolution been included in the Vestry minutes for the current year?	Yes      No	If No, please explain exception:

#### 8. Other indebtedness:

Have appropriate church officials properly authorized all indebtedness?	Yes      No	If No, please explain exception:
Have unpaid balances per church records been reconciled with balances as reported by the creditor(s)?	Yes      No	If No, please explain exception:

#### 9. Other:

Has insurance coverage been reviewed, and has a copy of policies been obtained and a schedule prepared detailing name of carrier, description of coverage, period covered, premium amount, and date of premium payment?	Yes      No	If No, please explain exception:
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### Audit Committee Certification

*We have taken steps to see that the accompanying financial statements and Parochial Report are presented fairly as of December 31, 20\_\_. Our work included all tasks set forth in the 'Small Parish Audit Program' and was made in accordance with the audit guidelines in the "Manual of Business Methods in Church Affairs". Our inspection and certificate are not meant to be construed as an audit and opinion rendered by a Certified Public Accountant.*

#### Audit performed by (minimum of 2 required):

Name

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(Signatures)

*Please submit the following document along with the completed Small Parish – Audit Program*

- Copy of the Financial Report submitted to the Parish Annual Meeting.*