

The Anglican Diocese of South Carolina
Instructions for Audit Committee Team Members

1. Audit committee members should be independent of the decision-making and financial record keeping functions of the congregation. The members of the audit committee should include at least one financial expert.
2. Using the enclosed package of materials complete the following steps:
 - A. Set up a pre-audit meeting with the team members, Treasurer, Senior and Junior Warden, and finance committee chairman. Ideally, this should be in the fall, prior to year-end closing.
 1. Arrange time schedules and place for audit
 2. Go over audit objectives (see page two of this document)
 3. Answer internal control questionnaire enclosed together as a group. Any “no” answers should be questioned as to why.
 4. Go over checklist for pre-audit documents required for review.
 - B. Work through the audit procedure enclosed. Remember that ALL accounts must be audited. This requirement covers not only the operating accounts of the church, but also all its restricted, endowment, discretionary, and property funds, and the accounts, if any, of its organizations. No church money is exempt from the requirement of an audit.
 - C. Keep a “notes” page to note any items that need to be discussed with the treasurer.
 - D. Prepare a separate letter to the vestry called “Findings on Policies and Procedures” as described in item #14 of the audit procedure.
 - E. Complete the “Audit Committee Certificate.”

When finished with the audit, submit the completed Audit certificate, the Findings on Policies and Procedures, and a copy of the Church’s December 31 financial statement to the Diocese.

Additionally, the Diocesan Assistant Treasurer is available to come to your church and meet with the audit committee to do some simple training before they begin. Call Nancy Armstrong at 843-722-4075.

Audit Objectives:

The major objectives of an audit of a congregation are to ascertain the following:

1. That the various transactions during the year are proper and are documented appropriately (i.e., authorized, appropriate church purposes, complete and accurate);
2. That the various transactions during the year are recorded in the proper amounts in the proper accounts and that there were no “off the books” accounts or activity;
3. That the assets, liabilities, income and expenses, which should be in the financial records, are so shown in the proper amounts and in the proper accounts;
4. That, to the extent feasible, adequate internal control procedures were and continue to be in effect; and
5. That the financial statements for the year were prepared from the financial records and present fairly the financial position and changes in net assets and cash flows of the congregation.

Note: If at any time during the audit, the records suggest that something is seriously wrong, the matter should be brought immediately to the attention of someone of superior authority, including the Vestry and the appropriate diocesan authority.