

## **Parish Responsibilities in Preparing for Audit**

The Parish should compile in advance and have available for the auditor:

- Copy of prior year audit report and Vestry's plan to address any deficiencies
- Vestry Minutes for the year being audited and November & December of previous year.
- Copy of approved budget for year of audit
- Copy of Annual Financial Report including year-end statement with balance sheet and income/expense statement.
- Evidence of Property and Liability Insurance. Any building appraisals or contents inventory prepared in the last five years.
- IRS Tax exempt status determination letter and State tax exempt letter
- Parochial Report for year being audited
- Property Report for year being audited
- Space use agreements and insurance certificates for outside groups who are regular users of church property
- List of all Sunday School teachers & youth workers with proof of Sexual Ethics training and background checks
- Reconciled Bank Statements, Passbooks or Investment reports for all accounts for year being audited and December of previous year
- Full year investment account statement and year end savings account statement
- All cancelled checks and deposit records
- List of Authorized Signatures for all accounts.
- Record of Plate Collections and corresponding deposits.
- Description of procedures and control of plate collection.
- Record of other receipts.
- Paid Invoices or other back up for expenditures
- Petty Cash records
- Details on any mortgages or other loans, original loan documents, copy of bank or loan statement showing principal due December 31 of audit year
- Record of Pledge to the Diocese for year being audited
- Receipts and Disbursements ledger for all accounts. General ledger report for all accounts. Explanation of report preparation if there are no ledgers.
- Payroll reporting for IRS and State of NC – Quarterly, W-2's and 1099's, printout of payments made to IRS, NC and CPG
- Copy of Change in Cleric's Compensation form that was sent to CPG

**Once the audit is complete, it is the Vestry's responsibility to review the audit report with its findings and recommendations from the auditor(s) and send the following information and documentation to the Diocesan Office:**

- a. a copy of the Audit Report,**
- b. the year-end balance sheet and Income/Expense report for the year being audited**
- c. the Findings and Recommendations of the auditor(s),**
- d. The vestry's plan of action to rectify any noted deficiencies in financial practices.**