



AUDIT COMMITTEE GUIDELINES

The purpose of the Annual Parish Audit is to insure that the parish remains healthy so that the community can accomplish its main mission; that is, to spread the Good News of Jesus Christ for the salvation of many.

Annual audits are independent evaluations of financial reports, records and the internal controls of the parish and are conducted by a committee of at least three parishioners none of whom are members of the Parish Council. This committee should consist of qualified people for the purpose of reasonably verifying the reliability of the financial reporting, whether assets are being safeguarded, and whether the parish is complying with the law, the UPR and also with the procedures and bylaws of the parish.

For your convenience, the following are the Regulations from the Greek Orthodox Archdiocese Uniform Parish Regulations (UPR) for your review:

ARTICLE 33 BOARD OF AUDITORS

SECTION 1: The Board of Auditors shall consist of at least three parishioners none of whom are members of the Parish Council. The Board of Auditors shall be elected at the last Parish Assembly preceding an election from among those who have not served on the Parish Council for the year being audited and who are not candidates for election to the Parish Council. The Board of Auditors shall have the financial competency to properly execute its responsibilities.

SECTION 2: The Board of Auditors shall audit financial records of the prior year and prepare a report of such audit for presentation to the Parish Assembly. After review by the Parish Assembly, the Parish Council shall transmit copies of the final audit to the respective Hierarch and the Archdiocese.

SECTION 3: A vacancy on the Board of Auditors shall be filled by the Parish Council by electing a successor therefor from amongst the parishioners of the Parish in good standing for the unexpired portion of the term of such vacancy.



In order to clarify the Audit Process, the Metropolis Finance Committee has established the following procedures and guidelines:

- + Prior to the nomination of Audit Committee candidates, the General Assembly should describe the duties of the committee so that all parties understand what will be expected from them.
- + Committee members should only serve in this capacity for two consecutive years at a time.
- + Audit Committee members should NOT be granted access to computers or provided

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with passwords. Under NO circumstances should they be given the authority to change or alter records.

- + The Audit should only review the previous year unless special circumstances apply or only as it applies to the current review.
- + Audit should include a complete inventory of church assets and the confirmation that said assets included in the current insurance policy of the church.
- + Audit Committee members should obtain and review samples of financial documents that are distributed at each Parish Council meeting.
- + The Audit Committee should confirm that all insurance policies in effect have the proper level of personal property, fire, theft, casualty and liability insurance. They should also confirm the Treasurer and other members handling funds are adequately bonded.
- + The Audit Committee should verify that the authorized signatures are current with the bank and that the correct EIN number is on all accounts.
- + Audit Committee members should NOT have had any involvement, whatsoever, in the funds that are being reviewed. Simply put, they should not be checking themselves.
- + The Audit Committee is to work in conjunction with and report to the Parish Council before making a presentation to the General Assembly.
- + The committee, in addition to verifying the financial documentation of the parish should also verify insurance information as well as ensure that the proper documents have been reported to the IRS, including, but not limited to, IRS forms 941, W2, W3 and 1099's.
- + ALL accounts need to be reviewed, including, but not limited to, Restricted Funds, Unrestricted Funds, Money Market Funds and Discretionary Accounts. The ONLY exemption is the Philoptochos Account.
- + Any funds and/or accounts that are not reviewed must be reported to the Metropolis with a detailed explanation as to why it was not included.

A Good Resource...

“THE ANNUAL CHURCH AUDIT”
by Dan Busby

