

The Episcopal Diocese of Pittsburgh of The Episcopal Church



July 13, 2012

To: Parish Treasurers and Parochial Clergy

From: Patrice Nycole Walters, Judge of Audits

Subject: 2011 Parish Audits

Please be reminded of your responsibility to complete an annual audit of your church financial statements. Many parishes will have already begun this process and some may have completed their annual audit.

Ideally, your audit should be completed by an independent certified public accounting firm. Prior to beginning the audit, please use the enclosed form (*Audit Committee or CPA Qualifications*) to report the name of the independent CPA firm and return it with a copy of the engagement letter.

If use of a CPA is not feasible, your audit may also be completed by an Audit Committee of two to four people, depending on the size of your parish. These individuals should not have any other financial duties in the parish to avoid any conflict of interest. Prior to beginning the audit, please report the names and qualifications of those members serving on the Audit Committee, using the enclosed form (*Audit Committee or CPA Qualifications*).

Your parish's completed audit package should include:

- an audited financial statement for 2011
- a completed Audit Committee Findings on Policies and Procedures form (enclosed)
- a completed Audit Committee Certificate (enclosed)

The Audit Committee should submit all the above documents to your Vestry and Rector for approval. Once approved, all documents should then be submitted to the diocesan office.

The audit should be submitted to the diocesan office within 30 days of its completion, but in no case later than September 1. Remember that your lay deputies risk losing their vote at convention if the parish audit has not been filed in a timely manner.



Audit Committee or CPA Qualifications

*This form is to be completed and submitted to the diocesan office
prior to completion of the parish audit.*

Date _____

Parish _____

Address _____

Regarding the audit of the above parish for the year: _____

Name and title of person completing this form: _____

The above named parish has contracted the services of an independent certified public accounting firm.

Name of firm: _____
(Please enclose a copy of the engagement letter.)

----- OR -----

The above named parish has convened an Audit Committee comprised of the following individuals:

Name: _____

Qualifications: _____

Name: _____

Qualifications: _____

Name: _____

Qualifications: _____

Name: _____

Qualifications: _____



Audit Committee Certificate

*This form is to be completed by the parish Audit Committee
and submitted as part of the completed audit package.*

Date _____

Parish _____

Address _____

Regarding the audit of the above parish for the year: _____

We have inspected the accompanying statement of financial position (a.k.a. balance sheet) of the above named parish as of December 31, _____ (*audit year*), and the related statement of activities (a.k.a. income statement) for the year then ended. Our inspection was made in accordance with the audit guidelines of the *Manual of Business Methods in Church Affairs*, and the financial statements are prepared on a (*circle one*)

cash basis

modified accrual basis

accrual basis

in accordance with principles adopted by the Episcopal Church and approved by its General Convention (except as noted – *if applicable*).

Note Exceptions here, if any

We have taken steps to see that the accompanying financial statements present fairly, in all material respects, (except as noted above – *if applicable*), the financial position of the Congregation at December 31, _____; and that the changes in the net assets (and its cash flows – *only if accrual basis is used*) for the year then ended are in accordance with the principles authorized by General Convention of the Episcopal Church on a basis consistent with that of the preceding year. Our inspection and certificate are not meant to be construed as an audit and opinion rendered by a Certified Public Accountant.

Members of the Audit Committee:

Name _____ Signature _____

Name _____ Signature _____

Name _____ Signature _____

Name _____ Signature _____



Audit Committee Findings on Policies and Procedures

*This form is to be completed by the parish Audit Committee
and submitted as part of the completed audit package.*

Date _____

Parish _____

Address _____

Regarding the audit of the above parish for the year: _____

During the course of the above inspection, the following items pertaining to internal control and other operation matters were noted. The first group includes areas of management control where prior year auditor recommendations have been implemented; the second group includes comments and recommendations of current year auditors.

Areas where prior year auditors recommendations have been implemented:

Comments and recommendations of current year auditors:

Members of the Audit Committee:

Name _____ Signature _____

Name _____ Signature _____

Name _____ Signature _____

Name _____ Signature _____