

Greenville Unitarian Universalist Fellowship

TITLE : **WHAT DOES AN AUDIT COMMITTEE DO?**

Approved by Board: December 12, 2018

Everything you always wanted to know about an Audit Committee's work.

Purpose of the Audit:

- To confirm that the financial statements are fairly presented.
- To assure that controls are in place to protect the church's assets and to protect the Treasurer, Office Administrator and CFO.
- To see that these controls are being followed
- To oversee that general policies and procedures are being followed.
- To make recommendations, if needed.

Audit Procedures:

- Examine bank statements and cash disbursements. Examine maybe one out of 5 checks. Examine if there were supporting documents and receipts or invoices. Examine if the expenses were recorded in proper accounts.
- Review the monthly bank reconciliation and make sure items are clearing on a timely basis.
- Examine and reconcile year end statements from:
 - Bank account
 - Brokerage account
 - Mortgage account
- Examine deposits, maybe one out of 5 deposits. Examine if the deposits received on a Sunday were authenticated by two ushers *and money counter* with signatures.
- Examine if the deposits were actually made to the bank account.
- Examine general procedures for the receipts and disbursements and ensure that they are being followed.
- Examine sample contributions statements, preferably from the audit committee or other volunteers and verify if the statement matches the individual's records from PowerChurch.
- Examine the gifts of stocks received and ensure that these stocks were properly transacted and credited.
- Review payroll. Make sure it is set up correctly. Select some payrolls and verify amounts paid and amounts deducted are supported by appropriate documentation.
- Verify new hire paperwork has been appropriately completed for new employees
- Review vendor records and ascertain that, where appropriate, signed W-9 forms have been received.
- Compare 1096/1099 filings with vendor records.

Audit deliverable:

- Report indicating the findings of the audit
- Any suggestions for improvements.