

Appendix F

Sample Audit Checklist

- Select several monthly bank statements, including the final statement for the fiscal year, and:
 - Ensure that reconciliations have been carefully completed.
 - Trace selected items from the reconciliation to the bank statement and the accounting records.
 - See that all voided checks are accounted for.
 - On a test basis, see that checks are properly endorsed by the party they were issued to.
 - Check to see that outstanding checks and other items clear the bank or are otherwise disposed of on a timely basis.
 - Investigate the nature of “miscellaneous” or unusual reconciling items.

- Count the petty cash. The total of cash and receipts should equal the “imprest” amount. If not, investigate.

- On a test basis, trace cash receipts and disbursements from the original document (such as Cash Receipts Summary or checks) through the accounting records, and summary totals to the various financial reports.

- Review Cash Receipts and Disbursements Journals for unusual items. Investigate any that are noted.

- On a test basis, check to see that there is proper authorization and documentation for each cash disbursement, such as an invoice or receipt, within approved budget lines, or with specific approval of the governance authority, for large or unbudgeted items.

- Review other documents and records (on a test basis) to see that they are being used in accordance with established policies and procedures. For example, are Cash Receipts Summaries signed by the two individuals who counted the offerings?

- Check to see that all payroll and other tax reports were filed on a timely basis.

- Test weekly, monthly, and especially the annual reports to the congregation and governance authority for accuracy by tracing totals back to the accounting records.

- Check to see that all monies designated for the Great Commission Fund, or other purposes, are being sent on a timely basis for their intended receivers.

- Determine whether accounting duties are adequately segregated in light of the financial personnel available.
- Check to see that contributions to the Fellowship Fund are being made in accordance with the Fellowship Fund regulations.
- Audit the records of supporting organizations (such as, C&MA Men's Ministry, Alliance Women's Ministry or the Sunday school) that maintain their own financial records, using steps similar to those outlined above.
- Prepare reports of your findings to the governance authority and congregation.

Reporting – Your report to the governance authority should be fairly detailed and may include recommendations. Your report to the congregation should be brief, stating that a review was performed, and whether or not the records and financial reports examined are fairly stated.

You can and should expand it when special circumstances warrant it. In any case, you must obtain the approval of the governance authority before presenting it to the congregation. The governance authority should record its response to the auditors' report and recommendations in the minutes.