

Recommended Minimum Annual Auditing Procedures for Congregations in the Heartland Annual Conference, Global Methodist Church

The Finance & Administration Committee provides these recommended minimum annual auditing procedures for Heartland Annual Conference local congregations.

Definition of Audit

An audit is an evaluation of financial reports, records, and internal controls conducted by an independent Financial Review Committee or CPA firm. Its purpose is to provide reasonable assurance regarding accurate financial reporting, safeguarding of assets, and compliance with applicable law and conference policies. See GMC Book of Doctrines and Disciplines ¶447.7.

Recommendations

- A Financial Review Committee of at least two individuals shall be appointed by the Finance Committee. No member shall have other financial responsibilities within the charge.
- The committee shall have access to documents, minutes, and recording methods for three randomly selected weeks from the previous twelve months. This review should occur in the fiscal quarter preceding the Annual Charge Conference.
- Review the Who, What, When, Where, and How of:
 - a) Sunday/Special Service offerings: collection, counting, recording, and deposits.
 - b) Church Council, Finance Committee, Trustees, Education/Sunday School, and Women's or Men's groups with expenditures, including all committees, ministry teams, and affiliated organizations whose financial activities fall under the congregation's oversight or IRS tax-exempt status.
 - c) Quadrennially, or as needed, a CPA firm not associated with the congregation shall conduct a full audit.
 - d) A report shall be submitted with recommendations or affirmation of procedures, approved by Finance Committee and Church Council, included in the Annual Charge Conference report, and retained in the Church Office.

Churches with Annual Budgets Less Than \$999,999

Follow the above recommendations for annual fiscal audit/reviews, or as deemed appropriate by the Church Council.

Churches with Annual Budgets of \$1,000,000 or Greater

Follow the above recommendations for annual fiscal audit/reviews of a fiscal quarter, or as Church Council deems necessary. A CPA firm not associated with the congregation shall conduct said audit. The CPA report shall be approved by the



Church Council, included in the Finance Committee Annual Report at the subsequent Annual Charge Conference, and retained in the Church Office.