

# Information Applicable to all Audits

## **Due Date is on or before October 1<sup>st</sup> of current year for past year finances:**

Canon 13 section 9 paragraph 7 provides that audits must be submitted within 30 days following the date of such report but, in any event, not later than October 1 of each year. Failure to submit an audit by its due date will cause a congregation to be considered ANon-Reporting@ and subject to provisions of Article III Section 3 (3) of the Constitution (Canon 13 section 4).

## **Audit Scope Restrictions:**

A full scale or normal audit is expected. However, the auditor may under some circumstances propose an audit scope exception. If there is a scope exception proposed, please contact Maria Manocchio, Financial Assistant, at (716) 881-0660 ext. 18 before completing the audit. It is usually not permitted to exclude investments, report solely on the Aoperating fund@, or omit a balance sheet.

## **Reporting Standards:**

*Professional Audits:* **REQUIRED** when total revenues are over \$250,000 or Investments total over \$1,000,000. CPAs and PAs should report using either the cash basis or accrual basis of accounting. The report format and disclosures should be consistent with generally accepted accounting principles. Questionable accounting methods or significant deviations from GAAP should be discussed with the Treasurer of the Diocese, Robert Matson. Please call Maria Manocchio at (716) 881-0660 ext. 18 and she will see that the Treasurer gets in touch with you.

*Audit Committees:* An audit committee does not develop a report format. It uses the financial report for the congregation given to the vestry or council by the Treasurer. The financial report is to include the balance sheet at December 31<sup>st</sup> and the income statement for the 12-month period then ended. The audit committee must submit, with its report, ***the financial report given to them by the treasurer and upon which the report is based.*** ***Please note: the parochial report is not acceptable as the congregation's financial statement.*** An audit committee is a panel of three (3) qualified volunteers. In rare cases, an exception may be granted to reduce the number of members of the panel. (Contact the Finance Office at the Diocese to explain why a full panel cannot be used.) At least one member of a panel must **not** be a member of the congregation, which is being audited.