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## Auditing Committee

**Scope:** Plan for and oversee the auditing of the church's financial records.

**Purpose:**

The Auditing Committee shall annually either conduct an internal audit or contract an external audit of a type and nature the church deems appropriate. The scope of any audit shall assess whether financial policies, procedures and guidelines are being adhered to. In preparation for an external audit the Auditing Committee shall request budgeted funds, and when approved in the annual budget, recommend to the church the desired person/s or auditing firm, and administer the external audit contract. The committee shall assist the external audit and review with the external auditors any findings and recommendations. In the event an external audit is not included or approved in the annual budget, the Auditing Committee will perform an annual internal audit. The committee shall convey an annual audit report prior to the end of each year to the Budget and Finance Committee, the Lead Pastor, the Diaconate, and to the Church.

**Membership:**

Consist of three members nominated by the Nominating Committee and elected by the church for a three-year term which begins in January annually. No one serving as an officer of the church or persons who perform church financial operations shall be eligible to serve as a member of the Auditing Committee. Ex-officio members of the committee are a Pastoral staff liaison assigned by the Lead Pastor and a Deacon liaison assigned by the Deacon chair.

**Relationships:**

The committee assists the church, within the realm of the committee purpose, in fulfilling the church's Mission: To proclaim the Gospel of Jesus Christ and to minister to the needs of our congregation, the community, and the world through the leadership of the Holy Spirit. This committee shall utilize the five Biblical Functions of Worship, Fellowship, Discipleship, Ministry, and Evangelism in meeting the committee's purpose and duties and in communicating, collaborating, coordinating, and cooperating with others. The committee chair serves as a member of the Church Council.

**Duties:**

1. Prepare a budget request to provide funds for contracting an external audit for the coming year which is sufficient to cover the planned scope of the annual audit.
2. When approved in the annual budget, or by the church, recommend to the church the desired external auditor, administer the external audit contract, assist the external audit and review with the external auditor any findings and recommendations.
3. In the event external audit funds are unavailable, the Auditing Committee requests the Church Treasurer and Financial Secretary to provide fiscal records for the purpose of conducting an internal audit. Request includes the church books for the past fiscal year, all checking and savings account records for the year, and any additional records/transactions required to conduct an audit.

4. Ensure that all audits are conducted in accordance with Generally Accepted Auditing Practices. Such practices may include sample verification of individual contributions.
5. Audits should determine if appropriate policies, procedures, and guidelines are in place and are being adhered to.
6. Audits shall give attention to all cash handling operations to ensure proper practices, funds security and acceptable risk.
7. Prepare an annual audit report to be presented to the Budget and Finance Committee, the Lead Pastor, the Diaconate and to the church by the end of the audited year.
8. Meet as often as needed to accomplish the committee's purpose.
9. Invite assigned Pastoral staff and Deacon liaisons to committee meetings and provide a copy of meeting minutes.
10. Provide a written report of deliberations, activities, and recommendations to the Church Council when requested.