

AUDIT CHECKLIST

EXPENDITURE QUESTIONS

YES NO

Who has access to blank checks? <i>Name & Position:</i>		
Who has access to the accounting system? <i>Name & Position:</i>		
Who is able to sign checks? <i>Name & Position:</i>		
Are two signatures required for a check? <i>If no, the signer should not have access to checks or the accounting system. Is this the case?</i>		
How are payments authorized before a check is cut? <i>Explain:</i>		
Are bills paid electronically? <i>If yes, how are they authorized/reviewed:</i>		
Who performs the Bank Reconciliation? <i>Name & Position:</i>		
How are designate (donor-restricted) gifts accounted for? <i>Explain:</i>		
Who has a church credit card? <i>Name & Position:</i>		
Are detailed receipts required for credit card purchases?		

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INCOME QUESTIONS

YES NO

Are donations properly secured before depositing? <i>Explain:</i>		
Donations counted by two or more people not in the same household?		
The count is properly documented and signed off by the counters?		
Does the church accept gifts designated to a specific individual? <i>If yes, explain:</i>		
For electronic donations, donor bank information is kept safe? <i>Explain:</i>		
Are donor receipts/statement according to IRS requirements? <i>Donations of \$250 or more should be listed by date. A statement should be included that verifies that no goods or services were provided in return for any of these contributions other than intangible religious benefits.</i>		

OTHER QUESTIONS

YES NO

Does the church have a petty cash account? <i>If yes, explain:</i>		
What accounting system is used?		
Are the users content with the accounting system? <i>If no, explain:</i>		
Are there any training needs that would make it better to do your job? <i>If yes, explain:</i>		
Are there any areas of concern or areas where you think can be improved? <i>If yes, explain:</i>		

CONCERNS TO FOLLOWUP ON OR PLACES FOR IMPROVEMENT:

AUDIT CHECKLIST

REVIEWING FINANCIAL REPORTS

YES NO

Year end asset balances agree with reconciled bank statements?		
Year end liability balances have support?		
Equity/Reserve balances are not negative and appear reasonable?		
Are there Equity/Reserve balances that are old and should be cleaned up?		
Are there any income or expense accounts significantly over budget? <i>If yes, get a list of transactions for that account. Review the list for unusual transactions. If you see anything unusual, have the support pulled for that transaction. Does everything appear reasonable & appropriate?</i>		
Are there any other unusual and unexpected balances for income/expense? <i>If yes, get a list of transactions for that account. Review the list for unusual transactions. If you see anything unusual, have the support pulled for that transaction. Does everything appear reasonable & appropriate?</i>		

REVIEWING OTHER DOCUMENTATION

YES NO

Review bank statements for three months. Are they reconciled properly?		
On bank statements, are signatures on checks proper?		
On bank statements, does electronic activity appear normal?		
Review Admin Council minutes. Were financial actions approved by the board complied with?		
Are there any income or expense accounts significantly over budget? <i>You may need to have transactions or support pulled to verify.</i>		
Are there any other unusual and unexpected balances for income/expense? <i>If yes, get a list of transactions for that account. Review the list for unusual transactions. If you see anything unusual, have the support pulled for that transaction. Does everything appear reasonable & appropriate?</i>		

REVIEWING FINANCIAL SUPPORT

YES NO

Obtain a list of vendors and the amount paid to them. Have transactions and/or support pulled for any that are unusual or unexpected or concerning.		
Review a few weeks of deposits. Can you tell that the counting is being performed as stated?		
For the deposits, are the amounts agreeing with what was recorded in accounting for general and designated gifts?		
Review the expenses for a couple of months (if filed by vendor, randomly choose some vendors). Can you tell that expenses have proper support and are approved?		
For the expenses, is a check stub attached to the support or the check number recorded on the support?		

AUDIT CHECKLIST

OTHER AREAS

YES

NO

Is the accounting system regularly backed up? Are backups safe from theft or disaster?		
In reviewing payroll, does it appear that withholdings for taxes and benefits are being properly handled?		
For the pastor's pay, no social payroll taxes should be withheld. Income tax should only be withheld if requested on W-4. Is this the case?		
Are 941's and W-2's being issued timely and do they appear correct?		
Has the Annual Non-Profit Report been filed with the Secretary of State to prevent the church corporate status from being dissolved?		
Are disbursements from Petty Cash funds documented adequately?		
Are Petty Cash funds periodically reconciled?		
<i>(Intentionally left blank for concerns raised during question phase of audit.)</i>		

AUDIT CHECKLIST

AUDIT SUMMARY

YES

NO

Are financial reports accurate and free from significant errors or misstatements? <i>If no, explain:</i>		
Are internal controls in place and adequate to protect the personnel and finances of the church? <i>If no, explain:</i>		
Are internal controls documented? (If not, recommend that they fix this.)		
Were any areas of improvement identified to improve the efficiency or effectiveness of the church's financial administration? <i>If yes, explain:</i>		

AUDIT COMMITTEE *(Each member should sign and date)*
