

Archdiocese Audit Process

- A. A schedule audit letter is sent to the pastor 30-45 days prior to the review month.
- B. The parish liaison or internal review administrator (reviewer) from the Archdiocese Finance Office contacts the parish business manager/bookkeeper to schedule the review date.
- C. A confirmation letter, the review checklist (items that will be needed for the review) and the internal control questionnaire (ICQ) with schedule A (list of employees, salaries, start date, vacation, sick, personal time off) are sent to the business manager/bookkeeper.
- D. The parish business manager/bookkeeper is asked to synchronize the PDS Ledger with the Archdiocese and return the completed ICQ and schedule A.
- E. The reviewer starts the preliminary work on the parish review in the Finance Office.
 - a. The prior review report and response are reviewed.
 - b. The Finance Office parish file is reviewed.
 - c. The assessments, loan payments and DLS activity are reviewed and balance to the parish balance sheet.
 - d. The parish financial entries are reviewed:
 1. The deposits,
 2. Checks written,
 3. Journal entries,
 4. EFT's, and
 5. Chart of accounts.
 - e. The balance sheet, income statement and general ledger reports are reviewed.
 - f. The overall parish financials are analyzed.
- F. The schedule A is given to the Archdiocese Personnel Office to review. They contact the business manager/bookkeeper with any corrections needed and copy the reviewer.
- G. On the day of the review a meeting is held with the Archdiocese reviewer, the pastor, the business manager/bookkeeper and anyone other key individuals. The on-site review process and the final reporting process are discussed.
- H. The review is conducted. Depending on the size of the parish the on-site review is one to two days.
- I. An exit meeting is held with the reviewer, pastor, business manager/bookkeeper and other key individuals to discuss the results of the review.
- J. A preliminary report is sent to the pastor and business manager/bookkeeper to review and suggest any change requests.
- K. When the preliminary report is agreed upon a final report is sent to:
 - a. The pastor.
 - b. The business manager/bookkeeper.
 - c. The finance committee chair.
 - d. The parish council chair.
 - e. The Archbishop.
 - f. The Chancellor
 - g. The Chief Financial Officer.
 - h. The Controller.
 - i. The Archdiocese reviewer.
 - j. The Food Service Director and Cemeteries Executive Director as needed.

- L. The parish has 30 days after the final report to send their response to the Archdiocese Finance Office.
- M. If the response does not adequately address corrective action on the internal control issues, the reviewer will follow-up with the parish business manager/bookkeeper.
- N. For parishes that have several high risk internal control findings the Finance Office will perform an on-site follow-up review of the parish.

Parish Audit Consists of

1. Parish council and finance committee minutes.
2. Reporting process to parishioners, committees and pastor.
3. PDS Ledger software and controls over the software.
4. Segregation of duties.
5. Parish organizations.
6. Balance Sheets and income statements.
7. Bank statements and reconciliations.
8. Gift card inventories.
9. Savings and investments.
10. Assessments.
11. Receipts, collections and grants.
12. Fundraising and charitable gaming.
13. Disbursements and credit cards.
14. Sales tax and IRS reporting.
15. Imprest accounts.
16. Petty cash and cash drawers.
17. Parish property and liability.
18. Payroll and personnel.
19. Cemetery.
20. Cafeteria.
21. School.