

CANONICAL AUDIT REQUIREMENTS

The Constitution and Canons of the Episcopal Church, Title I, Canon 7, Sec 1 (5) state the following:

All accounts shall be audited annually by a Certified or Independent Public Accountant, or by such an accounting agency as shall be permitted by the Finance Committee or Department of Finance of the Diocese. A Certificate of Audit shall be forwarded to the Bishop or Ecclesiastical Authority covering the financial reports of the previous calendar year.

The Canons of the Diocese of Western Massachusetts, Canon 20, Section 1 (d) states the following:

All accounts shall be audited annually by a Certified Public Accountant, Independent Public Accountant, or by such an accredited accounting agency, agent or person as shall be approved by the Diocesan Council. A certificate of audit shall be received by the Clerk of the Vestry not later than June 1 of each year covering the financial reports of the previous calendar year, and evidence of its receipt shall be given to the Vestry at its next regularly scheduled meeting. The original certificate shall become an official part of the Minutes of the parish and a copy of it shall be forwarded to the Bishop and Council by July 1. In extreme circumstances where the audit may be delayed, an extension of up to but not exceeding 30 days may be granted by the Bishop by Treasurer of the Diocese acting in concurrence.

It is not necessary to have your parish audit performed by a Certified Public Accountant. Most parishes do not have to incur the expense of an audit by a Certified Public Accountant. Two other options are available for your consideration. A duly authorized Parish Audit Committee may perform parish Audits. Such a committee should be appointed under the following guidelines.

- A. The Audit Committee shall consist of three qualified members of the Parish or Mission appointed by the Vestry or Executive Committee and approved by the Rector or Priest-in-Charge. The members of the Audit Committee shall be knowledgeable about finances and accounting matters and none of them shall have acted as Treasurer or Bookkeeper during the period being audited.
- B. The audit shall be conducted on an annual basis, and a copy of the Audit Committee's report shall be presented to the Vestry or Executive Committee and to the Bishop's Office.

The other alternative is for your parish to contract with the Rev. Ed Pease to perform your audit. Ed has been authorized to do parish audits and will perform the audits on site at your parish. If you would like to hire him for this work, please contact him at (508) 668-5055 or clarkpease2@cs.com. Ed has a reasonable fee schedule that is based on the financial size of the parish.