



the episcopal diocese of western massachusetts

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To: Rectors, Wardens and Vestries
From: Steve Abdow, Canon for Mission Resources
Subject: Annual Parish Audit
Date: February 2018

As you know an annual audit is required by canon, [see enclosed *Canonical Audit Requirements*] and we assured our state legislators of our goal of full financial transparency, with an annual audit being a cornerstone of that transparency.

Upon receipt of this memorandum, please make arrangements for the audit of the 2017 financial records. In our diocese, the audit can be performed by (1) a **three-person** parish audit committee, by (2) a Certified Public Accountant, or by (3) **Mr. Bruce Rockwell**, who has been authorized by Diocesan Council to perform audits for our congregations. Bruce worked as the finance officer and treasurer of our Diocese for ten years and has a thorough knowledge of our church finances. He will use the diocesan audit guidelines, and his work will be very thorough. He will make a full report to the Vestry as required by canons. You can contact Bruce at (413) 575-7342 or brsteward@comcast.net. You would be well advised to contact him immediately, as his calendar is sure to fill quickly.

My recommendation and desire is that you contract with Bruce to perform your audit. This is an affordable, efficient way to go, and bringing in a knowledgeable person from the outside to look at your finances is prudent, wise, and good stewardship. If you have been doing 3 person audits for a while now it is good to have Bruce come in as another set of eyes.

Enclosed is a packet of materials for the audit of the 2017 parish financial records. It contains the materials your audit committee will need to do its work. It has been our experience that a three-person committee of volunteers can do this work very well if one member has some familiarity with financial reports and can, using the suggested work papers, direct the work of the others.

The audit will be most valuable if it is done in a timely fashion. Please make sure that the Audit Committee gets appointed right away so the audit work can commence and be completed on time. Please return the **Auditor Appointment Form** to Diocesan House by **March 31**. The diocesan canons require that a copy of the completed **Certificate of Audit** be returned no later than **July 1**.

I am requesting that a copy of the completed Internal Controls Questionnaire and a copy of the financial section of your Annual Report be submitted with the completed certificate of audit.

If you need additional copies of the audit packet materials, they can be found on the Diocesan web site (www.diocesewma.org) under Parish and Clergy Resources. Select the forms you need from the Parish Audits listing. All forms are PDF/Adobe Acrobat documents which can be downloaded and printed. Finally, if you have any questions about your parish audit, please feel free to contact me at 413-417-2414 or sabdow@diocesewma.org.