

Audit Checklist

The purpose of the checklist is to highlight areas that require attention by a congregation, to ensure the proper documentation of transactions to support financial reporting and that controls are in place to secure congregation assets.

Please note that if this section is not relevant to the congregation, this section can be marked as not applicable (N/A) and you can move onto the next section.

Incomings - Offerings, donations, grants, subsidies and other receipts

Income tends to be the highest risk area in the audit of ministries.

Internal controls in this area are often weak and it is difficult to determine if all income has been received and recorded.

	Yes	No	N/A	Details
Desirable internal controls offerings				
All money received is banked intact and promptly as per the Treasurers' Handbook. Can we account for banking each Sunday on account of the Uniting Church?				
All cheques received are listed and banked properly and promptly as per the Treasurers' Handbook.				
Documentation exists that confirms two members of the church have counted the offerings. Has this documentation or offerings book been reconciled back to total banking?				
Donations other than offerings				
Have all bequests been sent via the Synod office?				
Does a register exist that identifies specific donations and bequests? Has the money been receipted?				
Have the nature and use of the specific donation or bequest been recorded together with future income application?				
Have donations of goods been correctly handled and valued?				
Grants or subsidies				
Grants and subsidies may be either capital or revenue from government departments, philanthropic trusts or companies.				
Have all grant applications been signed off by the Synod office?				
Has the grant been spent in accordance with the terms set out in the grant? Has the grant followed the correct acquittal process?				
Has the grant (particularly government) been fully reported on by the due date and a copy sent to Synod? Are all the appropriate records in place as required by the grant? If the grant is a percentage of cost, has this been correctly recorded?				
Investment income e.g. rents and interest				
Have all investments been noted on the congregation financial return?				
For investments, does a register exist which notes the date of the deposit, amount of the deposit, interest rate and maturity date?				
Is there appropriate documentation which confirms the existence of an investment? Have the investments been approved by the church council/finance committee? Ideally this will be minuted and signed by two members.				
Has the bank been advised that the investment can only be redeemed directly into the congregation main bank account?				
Have material balances over \$5000.00 been invested with U.C.I.S?				
Have all investments been recorded in the minutes?				
No cash receipts from offerings can be used to pay any form of expenditure.				
Have pre-numbered receipts been issued for rental and other types of receipts other than offerings?				

Audit Checklist

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A receipt should be issued for all cash (except offerings) recording the date, the source of the funds and the purpose of the money. Ideally a pre-numbered carbon duplicate receipt book should be used.				
Has there been a time delay between the receipt and banking of the money?				
Are errors in receipts correctly initialled and receipts signed? Are any receipts cancelled?				
Are all receipts banked and recorded in the correct period?				
Has appropriate allowance for repairs etc. been provided for rental properties; i.e. has a sinking fund been set up with U.C.I.S?				
Recording of income				
Are all forms of income correctly recorded in either a cash book or computerised system? Is this recorded as soon as practical after receiving the income?				
Do the reports given to church council reflect the values recorded within the cash book or computerised system? Are appropriate 30 June/31 December cut-offs being used?				
Outgoings - Expenditure by the Congregation				
<i>Similar to receipts, the congregation must have a good system for recording any cash payments. Small cash payments can be made by petty cash (under \$100) with the approval of the church council.</i>				
The cheque book				
The cheque book is a valuable asset. Is it kept in a safe place?				
Is each cheque payment supported by an invoice or payment voucher?				
Are the suppliers' ABNs checked to ensure GST can be claimed? Has a correct tax invoice been supplied according to the GST legislation?				
Is there evidence that each invoice has been checked for accuracy? Are all payments approved by the appropriate personnel?				
Each invoice should be cancelled with the word 'paid' and the cheque number.				
Check for evidence that each cheque is signed by two members authorised by the church council. Usually this is the treasurer and one other.				
Did major payments occur after balance date that relate to expenditure in the current period?				
Is there documentation supporting cheque signatories and their level to spend?				
Are all the relevant details recorded on the cheque butt i.e. amount, payee, purpose and date?				
Has expenditure from fund accounts and bequests been paid in accordance with the guidelines of the fund or bequest?				
Are cancelled or void cheques retained?				
Are cheques used for all payments other than small petty cash items less than \$100?				
Has all expenditure been ratified by the church council and approval recorded in the minutes? A file should exist with supporting data in cheque number order.				
Petty cash				
Are all payments less than \$100?				
Are all petty cash items recorded on a pre-numbered and dated voucher? Is the voucher appropriately approved and the amount recorded?				
Is a reconciliation of petty cash done on a regular basis?				
Are all petty cash items recorded in a petty cash book?				
Gift cards				
Is a register maintained of all gift cards purchased and who they are distributed to?				

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Does the congregation have a policy on the use of the gift cards to determine what purpose or who is eligible to receive the gift card?				
Does the purchase amount of the gift card reconcile to what has been processed through the congregation's bank statement				
Assets register				
Is an asset register maintained showing confirmation of cost, where purchased or fair market value where donated, method of depreciation if applicable?				
Is a stocktake completed on a regular basis?				
Is the asset register updated with new acquisitions and the disposal of old equipment?				
Have the number of assets been correctly listed on the congregational annual return?				
Recording of expenditure				
Are all forms of expenditure correctly recorded in either a cash book or computerised system? Is this recorded as soon as practical after drawing a cheque?				
Do the reports given to church council reflect the values recorded within the cash book or computerised system? Are appropriate 30 June/31 December cut-offs being used?				
Reporting and Bank Reconciliation				
(includes all congregation bank accounts including credit and/or debit cards)				
<i>This is an important control point which verifies that the records kept by the treasurer do in fact agree with the records of the bank.</i>				
Are all bank statements on hand for all accounts?				
Do all receipts and payments agree with the bank statement?				
Have all direct credits and debits been processed through the cash book?				
Have all outstanding cheques and deposits been correctly treated? Are there any items over one year? Have all outstanding differences been cleared quickly?				
Has the bank reconciliation been prepared and matched to the bank statements regularly but not less than quarterly?				
Have all copies of the bank reconciliation been retained?				
Reporting to the church council and the Synod office				
Is a congregational return prepared and submitted to the Synod office prior to 30 April for the previous year?				
Have all special purpose funds been approved by Presbytery?				
Has all income and expenditure been correctly recorded as outlined in the congregational return?				
Has a list of payment transactions since the last meeting been tabled and ratified by the church council?				
Is there a summary of receipts and payments i.e. statement of financial performance prepared for the church council, ideally supported by a report from the treasurer?				
Is the congregation or project running at a deficit? What plan does the congregation have to become financially viable?				
BAS return and GST: some common issues				
Has GST been handled as per the Uniting Church GST manual?				
Has the congregation lodged the BAS returns on time?				
Have unregistered sub-entities been treated properly?				
Have all cash advances to ministers had PAYG deducted?				

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Has GST been treated correctly for weddings, funerals etc.?				
Have market value tests been applied to commercial transactions and does property documentation exist?				
Have residential rent and associated costs been properly classified for GST for manses?				
Have all transactions related to Uniting Church entities been correctly treated?				
Loan balances				
Have all loan balances been recorded on the congregational return?				
Have the loan balances been verified at balance date?				
Have all loans applications been approved and minuted by church council?				
Minute book				
Are the minutes signed?				
Are all church council meetings minuted?				
Have the accounts and congregational return been minuted and approved by church council?				
Review for items that have a major impact on the accounts?				
Check that major expenditure is approved by minutes?				
Auditor				
Is the gross income of the congregation over 2.5 times the notional stipend?				
What are your qualifications i.e. CPA or CA or two persons as set out in the Uniting Church Regulations (this only applies if gross income of the congregation is less than 2.5 times the notional stipend)?				
Has your appointment been minuted by the church council?				
Are you appointed for all the sub-entities as per GST?				
Is there a fee being charged? If so what is the amount?				

This section applies if the above checklist has been used to complete a review of the congregation's financial records under paragraph 3.8.7 (e) of the Regulations where the congregation's income less than the income threshold.

Please note that if you have volunteered to audit a congregation's financial records that the details of the congregation's activities and transactions remain confidential. Any details that come to light from the audit are only disclosed to the congregation's church council.

Congregation audited:	
Areas to note: (if applicable)	
Completed by:	
Signed and dated:	