

Ward or Branch Financial Audit
 (United States and Canada)

Part 1: Instructions

CHURCH AUDITING DEPARTMENT
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Overview

Church financial procedures are designed to protect Church funds and those who handle the funds.

Audits help ensure that:

- Church funds are safeguarded and handled in an orderly and proper manner.
- Leaders and clerks are following Church financial procedures.
- Training needs are identified.

Audits are conducted twice a year.

For information on Church financial policies, refer to the applicable sections of the following:

- *Church Handbook of Instructions, Book 1: Stake Presidencies and Bishoprics* (2006) [36817]
- *Budget Allowance Guidelines* [31648]
- The Help feature in the Member and Leader Services (MLS) software
- The Church Record-Keeping and Auditing Training course, found at www.lds.org

The terms *bishop* and *ward* apply also to branch presidents and branches. The terms *stake president* and *stake* apply also to district presidents, districts, mission presidents, and missions. The term *clerk for finances* refers to the clerk or assistant clerk who has that assignment. The term *administration office* refers to Church headquarters in Salt Lake City. The terms *unit* and *Church unit* refer to the ward or branch being audited. The term *audit exception* means a deficiency in financial controls as indicated by a “False” answer to an item in Part 2: Audit Checklist.

Important: *Everyone who participates in the audit must keep records and audit information confidential.*

The Stake President

The stake president should make sure the audit committee is properly organized and committee members follow the instructions below. He should encourage quality audits and prompt correction of audit exceptions. (Audit exceptions are to be corrected within 30 days.)

Audit committee members and auditors need not be sustained or set apart, but they should be approved by the stake presidency and high council.

Stakes should have two or more auditors. Auditors should be trustworthy Church members who are experienced, if possible, in accounting or auditing.

The Audit Committee

The audit committee has a chairman and two other committee members who are knowledgeable in financial matters. The chairman is a counselor in the stake presidency who normally does not sign checks and does not perform stake financial record keeping. Committee members should not be stake auditors and should not perform stake or ward financial record keeping.

The audit committee:

- Recommends *qualified* auditors for stake presidency and high council approval.
- Meets with auditors *before* semiannual audits to give assignments and instructions.
- Makes sure audit committee members and stake auditors have reviewed the applicable lessons at www.lds.org.
- If there are any audit exceptions, meets with the stake president and the stake clerk for finances to review and complete Part 4: Corrective Action Plans Work Sheet.

If an auditor discovers or suspects a loss of funds or an irregularity during an audit, the auditor notifies the audit committee chairman, and the chairman or the auditor calls the Church Auditing Department for further instructions as soon as possible—before the audit is completed.

- Distributes copies of Part 3: Audit Report and Part 4: Corrective Action Plans Work Sheet to the stake president, the stake clerk for finances, and any others responsible for following up on action plans.
- Makes sure that all signatures are on Part 3: Audit Report before submitting it to the Church Auditing Department.
- Makes sure that the original Part 3: Audit Report and the original Part 4: Corrective Action Plans Work Sheet are sent *on time* to the Church Auditing Department.
- Makes sure that audit exceptions are corrected *within 30 days* by communicating with the individuals responsible for following up on action plans.

Midyear audits (covering January through June) are conducted in August and are due at the Church Auditing Department by *September 30*. Year-end audits (covering July through December) are conducted in February and are due by *March 31*.

Audit forms for the stake and each ward are sent from the administration office to the stake president prior to each audit. Extra forms are available from the Church Auditing Department.

Committee members and auditors should direct any questions to the Church Auditing Department at the address or phone number listed above.

The Stake Clerk for Finances

The stake clerk for finances makes sure that ward clerks for finances are properly instructed in financial record keeping. *He should be aware of audit exceptions and should help clerks resolve these problems promptly.*

The Auditor

Before the audit, the auditor informs the ward clerk for finances that he will need to provide an analysis of funds in the “Other” category as part of the audit. During the audit, the clerk completes the “Reconciliation of ‘Other’ Category” section of Part 3: Audit Report.

The ward clerk for finances must be present during the audit and should make all ward financial records available. The bishop also should be available.

The auditor completes Part 2: Audit Checklist by marking the box next to each numbered item to indicate whether the statement is true, false, or not applicable (NA). The auditor should be sure to read any instructions that precede or follow a numbered item. For any item marked “False,” the auditor writes the item number in the first column of Part 4: Corrective Action Plans Work Sheet and, in the third column, writes an explanation of the audit exception. If the audit exception is for a bolded checklist item, the auditor also places a check mark in the second column of the work sheet.

An answer of “False” to a bolded checklist item could indicate that there has been a loss or an irregularity. *If a loss or an irregularity has occurred or is suspected, the auditor notifies the audit committee chairman, and the chairman or the auditor calls the Church Auditing Department for further instructions as soon as possible—before the audit is completed. Church funds are sacred and should never be commingled with personal funds or used for personal gain.*

After completing Part 2: Audit Checklist, the auditor reviews the results of the audit, including any items marked “False,” with the bishop and the ward clerk for finances. During this meeting, the bishop completes his section of Part 4: Corrective Action Plans Work Sheet (if any items were marked “False”), and the bishop and the ward clerk for finances sign Part 3: Audit Report. Their signatures certify that they agree with the results of the audit, that they understand the audit exceptions (if any), and that if there are exceptions, they are committed to taking corrective action as planned.

Distribution of the Audit Materials

- If there are audit exceptions, the auditor leaves one copy of Part 3: Audit Report and Part 4: Corrective Action Plans Work Sheet with the bishop, and another copy with the ward clerk for finances, for follow-up. The auditor then gives the originals of all parts of this audit packet to the audit committee chairman.
 - If there are audit exceptions, the audit committee meets with the stake president and the stake clerk for finances to review the bishop’s corrective action plans. The audit committee chairman completes his section of Part 4: Corrective Action Plans Work Sheet and makes copies of the final Part 3: Audit Report and Part 4: Corrective Action Plans Work Sheet for the stake president, the stake clerk for finances, and any others responsible for following up on action plans. If the audit committee chairman has made any changes to the bishop’s action plans, the chairman makes new copies of Part 4: Corrective Action Plans Work Sheet for the bishop and the ward clerk for finances.
 - When the audits are completed and signed, the audit committee chairman attaches the originals of each ward’s Part 3: Audit Report and Part 4: Corrective Action Plans Work Sheet behind the stake’s original Part 3: Audit Report and original Part 4: Corrective Action Plans Work Sheet and sends them to the Church Auditing Department. *To save postage, do not send Part 1: Instructions and Part 2: Audit Checklist.*
- If audits for some units are not completed on time, the audit committee submits those that are ready so that they will reach the Church Auditing Department by the due date. All audits must be completed and should be submitted as soon as possible.
- The stake keeps a file copy of the audits (all parts) for three years plus the current year.

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Part 2: Audit Checklist

Checklist Instructions Mark the box to indicate whether the statement is true, false, or not applicable (NA). For any statement you mark "False," write the corresponding number in the first column of Part 4: Corrective Action Plans Work Sheet.

Discussion Section The auditor completes this section after discussion with the bishop and the ward clerk for finances.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>1. A clerk is keeping all financial records.</p> <p>A clerk should be called and assigned to keep the financial records. A member of the bishopric should not be keeping the financial records.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>2. Any bank accounts used by the unit have been authorized by the administration office.</p> <p>In the United States and Canada, savings accounts are not authorized. The only checking account that is authorized is the Church Unit Checking Account. Units not using a deposit concentration bank account are authorized to have a local depository bank account. No other bank accounts or cash working funds are authorized, including bank accounts for Scouting groups.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Only the bishop and his counselors accept donation envelopes (except fast offerings collected by Aaronic Priesthood holders).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Donations and other Church funds are never left unattended or overnight in the meetinghouse.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. Donation envelopes are always opened, verified, and recorded by two people together.
			The two people should be two members of the bishopric or a member of the bishopric and a clerk.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Deposits are prepared on Sunday except during tithing settlement, when they are prepared on the day the donations are received.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Deposits are prepared and taken to the bank in accordance with Church policy.
			Mark "False" if the following procedure is <u>not</u> being followed:
			a. A member of the bishopric and another priesthood holder, usually the clerk who helped verify the donations, prepare the deposit.
			b. Where a 24-hour bank depository is available, the bishopric member, accompanied by the other priesthood holder, deposits the funds in the bank on the same day the funds are opened and verified.
			Or
			Where a 24-hour bank depository is not available and the bank is closed on Sunday, the bishop designates a Melchizedek Priesthood holder, normally a bishopric member, to make the deposit at the bank the next business day. When the deposit is made, he obtains a bank-certified deposit receipt showing the date and the amount of the deposit. The next Sunday, before any donations for that day are processed, a clerk and a bishopric member compare the bank-certified deposit receipt to the previous week's deposit records to verify that the correct amount was deposited. They both sign the bank-certified deposit receipt, and the clerk files it with the related donation records.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Donation and deposit data are submitted to the administration office according to local instructions.
			In the United States and Canada, data must be transmitted using the MLS software the same day the deposit is prepared. Units with a local depository bank account may need to wait a few days before transmitting data.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. The unit followed all instructions from the administration office concerning tithing settlement. (This question applies only to the year-end audit.)
			Mark "False" if any of the following applies:
			<ul style="list-style-type: none"> • Tithing settlement was not held. • Tithing settlement statements were not given to members. • A copy of the Tithing Declaration Report has not been given to the stake president. • The Tithing Declaration Report has not been transmitted to the administration office using the MLS software. • Tax-valid donation statements were not given to members after the end of the year.
			If tithing settlement was not held, perform the following procedures after obtaining approval from the stake president: (1) Select a few members to interview. (2) Obtain the ward's Year-to-Date Donation Summaries for the members you selected. (3) Interview the members to verify that their donation records match the ward's. (4) If there are any discrepancies, notify the audit committee chairman. If a loss is suspected, either you or the audit committee chairman should call the Church Auditing Department for further instructions as soon as possible—before the audit is completed.

Discussion Section—continued The auditor completes this section after discussion with the bishop and the ward clerk for finances.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>10. Any disagreements between members’ donation records and the unit’s donation records have been settled to the satisfaction of all.</p> <p>If there are any unresolved disagreements between a member’s donation record and the unit’s record for that member, include full details on Part 4: Corrective Action Plans Work Sheet or on an attachment, and notify the audit committee chairman. If a loss is suspected, either you or the audit committee chairman should call the Church Auditing Department for further instructions as soon as possible—before the audit is completed.</p>

Checklist items 11 and 12 are not used for this audit.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>13. Checks are never signed when blank or incomplete.</p> <p>Mark “False” if checks are ever signed when blank or incomplete.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>14. Checks are always signed by two authorized people before disbursements are made.</p> <p>Mark “False” if checks are ever issued without two authorized signatures.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>15. Before signing checks, check signers examine all supporting documentation and verify that it is complete and sufficient to properly support the disbursements.</p> <p>Mark “False” if all supporting documentation is not reviewed for adequacy by both check signers.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>16. The bishopric and clerks have reviewed the applicable training lessons found at www.lds.org.</p> <p>See Presiding Bishopric letter, July 20, 2005.</p>

Checklist items 17 through 19 are not used for this audit.

Testing Section The auditor completes this section by testing samples of applicable documents.

Before beginning this section, the auditor discusses checklist items 20, 22, 24, 25, 30, 40, and 42 with the bishop and the ward clerk for finances. Then, while testing the documents for these checklist items, the auditor verifies the answers given by the bishop and the clerk.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>20. Information on returned copies of Bishop’s Order for Commodities forms is consistent with the ward copies, and all orders are properly approved. If any discrepancies have occurred, the bishop has investigated and resolved them.</p> <p>For one of the six months being audited, obtain all returned copies and ward copies of the following forms:</p> <ul style="list-style-type: none"> • Bishop’s Order for Commodities—Food and Supplies • Bishop’s Order for Commodities—Clothing and Household Goods <p>Compare the returned copies to the ward copies to make sure that (a) all information, including quantities and names, is the same and (b) all orders have been properly approved. Mark “False” if there are any significant discrepancies that the bishop has not investigated and resolved (substitution of similar items is not considered a discrepancy). If any significant discrepancies are unresolved, notify the audit committee chairman. If a loss is suspected, either you or the audit committee chairman should call the Church Auditing Department for further instructions as soon as possible—before the audit is completed.</p> <p>Important: Remember to keep all audit information strictly confidential.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>21. For weekly donation batches, the information on the following items matches and is fully consistent: Tithing and Other Offerings forms, related deposit documents, related bank statements, and related batch reports.</p> <p>Review the “Deposits” section of the Church Unit Financial Statement for each of the six months being audited. If any weekly deposits are missing, find out why. Select one deposit from each month for detailed testing. For the six weekly deposits selected, verify that the details on a sample of Tithing and Other Offerings forms (donation slips) match the corresponding details on batch reports, deposit slips, and Church Unit Financial Statements. Mark “False” if you find any discrepancies.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>22. Fund-raising or collection of money is within Church policies.</p> <p>Mark “False” if any of the following applies:</p> <ul style="list-style-type: none"> • Funds are being raised or collected beyond the budget allowance guidelines. • Bequests and other gifts have not been referred to the Treasury Services Division at the administration office. • One or more subcategory classifications of the “Other” category relate to fund-raising, and the funds are being used for purposes that are not authorized by Church financial policy. See related step 37.

Testing Section—continued The auditor completes this section by testing samples of applicable documents.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>23. Donations for construction of specific temples have been remitted to the administration office according to prescribed policies.</p> <p>All types of donations that do not belong to the ward are automatically transferred to the administration office, <i>except donations designated for constructing a specific temple</i>. Verify that any donations deposited to the “Other” category for constructing a specific temple have been remitted to the administration office at least monthly by mailing a check payable to Corporation of the President.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>24. All expenditures are for purposes consistent with Church policies.</p> <p>Review all check entries and charges on the six Church Unit Financial Statements to determine if the purpose for each expenditure is appropriate. If any expenditure seems inappropriate, consult with the audit committee chairman before marking this item “False.”</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>25. All expenditures are approved by the bishop.</p> <p>See <i>Church Handbook of Instructions, Book 1</i>, 157, 159.</p>

Select the following for the six-month period being audited, and ask the ward clerk for finances to help you locate the related documentation, including check requests, supporting invoices and receipts, and Church Unit Financial Statements:

- All advances, including any significant amounts given directly to fast-offering recipients. (Advances are easy to identify because they are usually for rounded or even amounts.)
- All payments to the bishop or his immediate family.
- Several fast-offering payments.
- At least two large or unusual expenditures for each of the six months.

Use these documents to complete steps 26 through 30.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>26. Documentation is available and complete for all expenditures.</p> <p><i>What to Look For.</i> Every expenditure, including any advance given for any purpose, should have original receipts, invoices, or similar notices of amounts due or already paid. A <i>check request document alone is not adequate</i>. If an original receipt or invoice is lost, the substitute documentation should include a written explanation of the payment purpose, a statement or description of the goods or services acquired, the period the payment applies to, the name of the person who was assisted (for fast-offering payments), corroborating signatures (such as signatures of payees and beneficiaries), and so on. Test advances to verify that appropriate supporting documentation was eventually provided for the advance. Recipients of fast offerings should submit receipts to show how they spent any significant amounts given directly to them. When possible, expenditures of fast-offering funds should be made directly to the providers of goods and services rather than to recipients. If any tested transaction lacks adequate support, mark “False.”</p> <p><i>When Support Is Missing.</i> Consult with the stake audit committee chairman regarding any expenditures that lack adequate supporting documentation. Perform alternate testing (such as interviewing fast-offering recipients, payees, beneficiaries, and so on) as approved by the stake audit committee chairman.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>27. For all advances, documentation indicates that unspent funds have been redeposited.</p> <p>For advances, verify that any unspent funds have been redeposited. You can determine unspent funds by comparing the total of the advance with the total of its supporting documentation.</p> <p>When possible, advances should be avoided because they increase risk and require additional follow-up. If any advance or portion of an advance has been used for personal or other unauthorized purposes, notify the audit committee chairman. Either you or the audit committee chairman should call the Church Auditing Department for further instructions as soon as possible—before the audit is completed.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>28. Details of expenditures (such as category code, fast-offering code, payee, purpose, amount, and date) shown on disbursement documents (such as check requests) are correct and consistent with the information on related supporting documents and Church Unit Financial Statements.</p> <p>Verify the details of the selected transactions. Compare check requests with supporting documents and Church Unit Financial Statements.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>29. The name of the person receiving fast-offering assistance is shown on disbursement documents and related financial reports and supporting documents.</p> <p>For the selected fast-offering items, verify that the name of the person who was assisted is shown on the supporting documents and the Church Unit Financial Statement.</p>

Testing Section—continued The auditor completes this section by testing samples of applicable documents.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>30. Fast-offering assistance to the bishop or his immediate family members is approved in writing by the stake president.</p> <p>See <i>Church Handbook of Instructions, Book 1, 9</i>. In addition to the expenditure review in checklist item 24, ask the bishop if he or any of his immediate family members has received fast-offering assistance, including assistance specified on Bishop’s Order for Commodities forms. If the bishop or any of his immediate family members has received any assistance without the prior written approval of the stake president, notify the audit committee chairman. Either you or the audit committee chairman should call the Church Auditing Department for further instructions as soon as possible—before the audit is completed. Immediate family members of the bishop include his parents, his children and their spouses, his brothers and sisters and their spouses, his wife, and similar relatives of his wife (in-laws). Any relative or in-law living in the bishop’s home is considered an immediate family member.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>31. There are no missing blank checks.</p> <p>If any blank checks are missing, and stop payments have not already been placed, contact the Church Auditing Department immediately for further instructions.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>32. Monthly bank reconciliations are current and are properly completed.</p> <p><i>Church Unit Financial Statement.</i> Review the Church Unit Financial Statement and the signed, final copy of the computer-printed Reconciliation Report for the last month of the audit period (June or December). Mark “False” if any of the following applies:</p> <ul style="list-style-type: none"> • The bishop or clerk has not reviewed and signed the reconciliation. • The reconciliation has not been completed using the Reconcile menu item in the MLS software. • The reconciliation has not been completed properly. A reconciliation is considered incomplete if there are any nonzero amounts in the “Unreconciled Differences” section of the Reconciliation Report. • The statement balances on the first line of the Reconciliation Report do not agree with the ending balances on the Church Unit Financial Statement. • The outstanding checks listed on the Church Unit Financial Statement do not match the outstanding checks listed on the Reconciliation Report. Do not mark “False,” however, if the differences are due to checks that were transmitted at the end of the month and appear on the next month’s Church Unit Financial Statement. • The “Temporary statement adjustments” section of the Reconciliation Report contains an entry for an unidentified difference. Such an entry indicates that the reconciliation was forced to balance and that the ward clerk for finances should have done more research to determine which transaction(s) caused the difference. • There are handwritten entries on the Reconciliation Report. Handwritten entries indicate that the reconciliation was not properly prepared using the computer. <p><i>Local Depository Bank Account.</i> If the unit has a local depository bank account, review the “Local Bank Deposit Reconciliation” section of the Church Unit Financial Statement. Verify that the reconciliation has been properly completed. Mark “False” if any of the following applies:</p> <ul style="list-style-type: none"> • The reconciliation for the last month of the audit period has not been completed. • The bank balance on the reconciliation does not agree with the balance on the bank statement. • The amount in the box in the lower right-hand corner is not the authorized compensating balance amount (\$1,100 for units in the United States and \$500 for units in Canada). • Any reconciling items are not listed correctly. • The reconciliation is not clerically accurate (is not added correctly). <p>NOTE: If the unit has a local depository bank account, write the bank balance—as listed on the bank statement for the last day of the audit period (June 30 or December 31)—on Part 3: Audit Report.</p>

Testing Section—continued The auditor completes this section by testing samples of applicable documents.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>33. There are no old reconciling items on bank reconciliations.</p> <p><i>Church Unit Financial Statement.</i> Mark "False" if any outstanding checks or other reconciling items are more than six months old.</p> <p><i>Local Depository Bank Account.</i> If the unit has a local depository bank account, verify that timely action is taken to keep the account balance exactly equal to the authorized compensating balance amount of \$1,100 for units in the United States or \$500 for units in Canada. Mark "False" if any of the following applies:</p> <ul style="list-style-type: none"> • The local depository bank account balance is more than the authorized compensating balance because one or more weekly electronic transfers have not been made on time. • Not-sufficient-funds (NSF) checks have not been handled promptly and properly. (NSF checks should be canceled in the MLS software, and the administration office should be contacted to make the needed donation adjustments.) • The administration office has not been contacted and requested to replenish bank service charges. • Other reconciling items have not been promptly cleared.

Checklist items 34 through 36 are not used for this audit.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>37. Funds in the "Other" category are kept by subcategory classifications, and the total of the subcategory classifications reconciles to the "Other" category ending balance listed on the monthly financial report.</p> <p>Have the ward clerk for finances complete the "Reconciliation of 'Other' Category" section of Part 3: Audit Report, using the MLS software to obtain the necessary information. If there are no "Other" funds, write zeros. Mark "False" if any of the following applies:</p> <ul style="list-style-type: none"> • The clerk is unable to complete the reconciliation. • Any amounts are unexplained and are listed as "Miscellaneous," "Unidentified," or "Other." • The reconciliation is not clerically accurate (is not added correctly).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>38. Timely action is taken to clear any pass-through funds from subcategory classifications of the "Other" category.</p> <p>Subcategory classifications of the "Other" category are often used for pass-through funds. Pass-through funds are funds that should be spent promptly for the special purpose for which they were collected. Mark "False" if any of the following applies:</p> <ul style="list-style-type: none"> • There are residual pass-through funds in subcategory classifications of the "Other" category that have not been spent promptly for their intended purpose. • Administration office adjustments posted to the "Other" category on the Church Unit Financial Statement for any NSF checks, untransmitted checks, or deposit overages or shortages have not been promptly cleared.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>39. Any deposit shortages that were posted to the "Other" category by the administration office have been resolved.</p> <p>If any deposit shortages posted to the "Other" category on the Church Unit Financial Statement are still unresolved, notify the audit committee chairman. Either you or the audit committee chairman should call the Church Auditing Department for further instructions as soon as possible—before the audit is completed.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>40. Appropriate and timely action is taken to resolve financial problems noted in reports and letters from the administration office.</p> <p>On the Church Unit Financial Statements for the six months being audited, identify all entries to the "Other" category for NSF checks, missing deposits, deposit shortages, deposit overages, and so on. Also identify any negative ending balances in any fund categories. Mark "False" if appropriate and timely corrective actions have not been taken.</p>

Checklist item 41 is not used for this audit.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>42. Financial documents are kept locked up.</p> <p>This includes blank checks, Bishop's Order for Commodities forms, donation records, expenditure records, and so on.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>43. The bishop's section of Part 4: Corrective Action Plans Work Sheet has been completed (if there are any audit exceptions), and the bishop and clerk have signed Part 3: Audit Report.</p>

Checklist item 44 is to be marked by the audit committee chairman.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>44. The stake president, the audit committee, and the stake clerk for finances have reviewed and approved the corrective action plans proposed by the bishop (if any); the audit committee chairman has completed the follow-up section of Part 4: Corrective Action Plans Work Sheet (as necessary); and all who need to sign Part 3: Audit Report have done so, indicating their commitment to follow up and make sure that any audit exceptions are corrected within 30 days.</p>
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