



Stake Auditor

This document outlines the purpose and duties of a stake auditor.

Note: In this document, the terms *stake president*, *stake auditor*, and *stake clerk* refer also to the same positions in districts and missions. The term *stake audit committee* refers also to district and mission audit committees. The term *clerk* refers to clerks and to assistant clerks assigned to help with financial record keeping. The term *unit leader* refers to the bishop, branch president, stake president, or district president. The term *stake* refers also to districts. The term *ward* refers also to branches.

1. PURPOSE

As directed by the stake audit committee, a stake auditor reviews stake and ward financial records to determine whether contributions are properly recorded, Church funds are properly accounted for and protected, and financial records are complete and accurate. When stake auditors observe that Church financial policies and procedures are not being followed, they report their observations to the stake audit committee. The stake audit committee uses this information to provide training that will strengthen priesthood leaders and clerks and protect the Church's sacred funds.

See *General Handbook: Serving in The Church of Jesus Christ of Latter-day Saints*, 34.9.2, ChurchofJesusChrist.org for guidance on who may serve as a stake auditor and how an auditor is called.

2. DUTIES

A stake auditor has four principal duties:

1. Understand stake financial risks and Church financial policies and procedures.
2. Conduct timely, high-quality audits.
3. Provide limited training during an audit.
4. Report all audit exceptions to the stake audit committee.

2.1 Understand Stake Financial Risks and Church Financial Policies and Procedures

A stake auditor receives regular training from members of the stake audit committee or others assigned by that committee. This training helps the stake auditor understand Church financial policies and procedures, the audit process, and specific financial risks that exist within the stake. When the stake audit committee assigns a stake auditor to audit the stake or a specific ward, the committee provides the auditor with the necessary guidance, background, resources, and training to conduct the audit effectively.

In addition, a stake auditor should personally prepare to conduct effective audits. Auditors should study the articles about auditing, Church finances, and the Local Unit Financial Auditing System (LUFAS) that are found in the Help Center on ChurchofJesusChrist.org (from the Help Center page, click **Record Keeping** and then click **Finance**, or click **Record Keeping** and then click **Financial Audits**). Doing practice audits and studying the paper audit forms are also effective ways for stake auditors to deepen their understanding of the audit process and increase their familiarity with the audit questions.

2.2 Conduct Timely, High-Quality Audits

CONDUCTING TIMELY AUDITS

Audits are conducted either online (using LUFAS) or on paper forms (printed from LUFAS). A stake auditor should be able to operate LUFAS either to conduct on-line audits or to print paper audit forms.

There are two audit cycles each year. Year-end audits begin January 15, should be submitted by March 15, and cover transactions from July 1 through December 31 of the previous year. Midyear audits begin July 15, should be submitted by September 15, and cover transactions from January 1 through June 30 of the current year. Stake auditors should complete their assigned audits by the end of February for year-end audits and the end of August for midyear audits so that the stake audit committee has 15 days to review and submit the audits.

The stake president may request special audits at other times, such as after a new stake president or bishop is set apart. If performed, these audits are done on paper forms and are not submitted; they are for the stake audit committee's and leaders' benefit only.

CONDUCTING HIGH-QUALITY AUDITS

High-quality audits begin with prayer and are conducted under the inspiration of the Holy Ghost.

To conduct high-quality audits, stake auditors must understand Church financial policies and procedures, including area-specific procedures. They must schedule enough time to thoroughly review the financial records and to record detailed observations. High-quality audits generally take between one and two hours to complete.

Each section of the audit begins with instructions to the auditor. The instructions explain the purposes of the audit section and offer guidance on how to accomplish those purposes. Most audit questions are followed by additional instructions that provide specific guidance and focus. Stake auditors should carefully read and follow all instructions while conducting every audit. They should ask audit questions exactly as they are written. Rewording questions may lead to misunderstandings and less effective audits.

Policy and Procedure Review. The first audit section, "Policy and Procedure Review," helps the stake auditor determine whether the unit leader and the clerk understand and are following Church-approved financial procedures. The stake auditor asks the questions in this section exactly as they are written. The answers from the unit leader and the clerk help the auditor assess their understanding and compliance. *If a unit leader or a clerk does not understand or apply Church financial policies and procedures, he may risk losing or misusing Church funds, risk suspicion or accusation by members whose contributions were mishandled, or risk yielding to temptations that would not have been present had he strictly followed the policies and procedures.*

Testing. The sections with numbered questions that follow "Policy and Procedure Review" are considered testing sections. Unlike the "Policy and Procedure Review" section, in which the stake auditor records the unit leader's and clerk's answers to the audit questions, testing sections require the stake auditor to examine physical evidence such as donation slips, invoices, and receipts in order to determine whether Church-approved procedures are being followed.

Instructions on conducting stake and ward audits and detailed information about specific audit sections are available in the Help Center on ChurchofJesusChrist.org. From the Help Center page, click **Record Keeping** and then click **Financial Audits**. You will be prompted to sign in with your Church Account username and password.

2.3 Provide Limited Training during an Audit

While conducting an audit, if a stake auditor finds that Church financial policies or procedures are not being followed, the stake auditor reports these problems as part of the audit results. The problems are called audit exceptions. Before a unit leader signs an audit that contains audit exceptions, he should understand the reported problems and develop a plan to properly correct them so that they do not occur again. The plans developed by the unit leader are called corrective actions and are also recorded in the audit results.

The stake auditor should help the unit leader and the clerk understand each audit exception and why the policy or procedure that was not being followed is

important. However, the stake auditor should be careful to provide only training that is coordinated through or approved by the stake audit committee or the stake clerk. Otherwise the stake auditor risks establishing contradictory or unapproved financial practices within the stake.

2.4 Report All Audit Exceptions to the Stake Audit Committee

The stake auditor represents the stake presidency when auditing a ward or the stake. When even minor problems are observed, these problems should be reported to the stake audit committee. The stake auditor's complete, accurate, and timely report helps the stake audit committee evaluate and address all stake financial risks effectively.

A stake auditor reports observations to the stake audit committee in one or more of the following ways:

- **Recording detailed observations for each audit exception.** A stake auditor identifies an audit exception by marking the audit question "No." Whether conducting the audit online or on a paper form, the auditor describes the problem clearly and completely in writing. The description should include the details of the nature, scope, and cause of the problem, if the cause is known.
- **Providing additional notes,** either attached to a paper audit form or entered as comments in an online audit.
- **Reporting in stake audit committee meetings.**

A stake auditor should not question a unit leader's decisions regarding fast-offering assistance or the use of budget funds. The unit leader holds the priesthood keys to make those decisions. However, if the auditor feels that financial policies or welfare principles are not being followed, the auditor should report these concerns to the stake audit committee.

If, at any point during an audit, a stake auditor suspects or discovers misuse of Church funds, the auditor must promptly notify the stake audit committee chairman.

Normally the auditor finishes the audit before notifying the chairman. The stake audit committee chairman or the stake president will then contact the Church Auditing Department or the area controller, who will provide further instructions.

2.5 Maintain Confidentiality

The final duty of a stake auditor is to maintain confidentiality. Because stake auditors work with highly confidential information, they must always remember the obligation to not discuss confidential matters with anyone except the members of the stake audit committee.

