Parish Internal Control Assessments

Finance Committee

1) Obtain all parish council and/or finance committee minutes for the year and perform the following:

    a)   Verify that an annual meeting took place between July 1 and September 15 of the most recent year

    b)   Verify that conflict of Interest forms are completed annually and on file for all current officers and directors.

    c)   Verify the most recent annual financial report was approved by the finance council

    d)   Verify that the NP-20 form was completed timely for the most recent year.   Based on review of the minutes

    e)   Verify that the committee consists of three to seven parishioners

    f)   Verify the minutes document that the parish council and/or finance committee reviews monthly financial reports.

    g)   Based on review of the minutes highlight any particular areas of concern that warrant additional investigation.

2) Annual budget

    a)   Verify that the finance committee prepares an annual budget that is approved by Parish Pastoral Council/finance Committee.

    b)   Verify a monthly budget to actual reconciliation is performed.

3) Trial Balance / General Ledger

    a)   Tie the most recent Annual Financial Report submitted to the Diocese into the general ledger on a test basis. Annual Financial Report must be obtained via an inquiry sent to accountingservices@archindy.org.
        (1)   At a minimum agree the following information:
            (a)   Total parish revenue
            (b)   Total parish expenses
            (c)   Total Sunday and Holy Day collections
            (d)   Total school revenue
            (e)   Total school expenses

    b)   Obtain the bank reconciliation and related bank statements for a sample of 2 months and perform the following:
        (1)   Agree bank balance to bank statements
        (2)   Agree general ledger balance to the general ledger
        (3)   Ensure there are no unexplained reconciling items greater than $50.00
        (4)   Test for mathematical accuracy

Note: Sample sizes should be based on the number of times the control occurs:
- Annual controls – test 1
- Quarterly controls – test 2
- Monthly controls – test 3
- Weekly controls – test 10
- Daily controls – test 20
- More than daily – test 30