



CATHOLIC DIOCESE *of* JACKSON

Diocese of Jackson Initial Audit Process

1. An audit letter is sent to the pastor/parish administrator 30-45 days prior to the review month.
2. The Internal Audit Reviewer (Reviewer) contacts the parish business manager/bookkeeper to schedule the review date
3. The Reviewer sends a confirmation letter, the review checklist (items that will be needed for the review) and a pre-review questionnaire to the business manager/bookkeeper.
4. The Reviewer asks the parish business manager/bookkeeper to return the pre-review questionnaire 20 days prior to the audit.
5. The Reviewer begins the preliminary work by reviewing:
 - i) The annual Internal Control Questionnaire (ICQ) responses.
 - ii) Any prior review reports and responses.
 - iii) The Temporal Affairs parish file.
 - iv) Cathedraticum assessments, insurance payments, and Deposit and Loan activity.
 - v) The current year and past two years Paycom/Paycor payroll reports.
 - vi) The current year and past two years ParishSoft Statement of Activities, actual vs. budget, and Statements of Financial Position.
 - vii) The current year and past two years ParishSoft contribution reports, including selection of donors for confirmation requests.
 - viii) The current year and past two years ParishSoft General Ledger
 - ix) The current year and past two years ParishSoft Deposit Register
 - x) The current year and past two years ParishSoft Check Register and Credit Card Charges
 - xi) The current year and past two years ParishSoft Journal Entry List
 - xii) The current Chart of Accounts for additional accounts and subaccounts
6. On the day of the review a meeting is held with the Reviewer, the pastor, the business manager/bookkeeper, and other key individuals. The on-site review process and the final reporting process are discussed.
7. The review is conducted. Depending on the size of the parish the on-site review is one to three days.
8. An exit meeting is held with the reviewer, pastor, business manager/bookkeeper and other key individuals to discuss the results of the review.

9. A preliminary report is sent to the pastor and business manager/bookkeeper to review and suggest any change requests.
10. When the preliminary report is reviewed, a final report is sent to the:
 - (1) Pastor
 - (2) Business manager/bookkeeper
 - (3) Parish finance council chair
 - (4) Parish pastoral council chair
 - (5) Diocesan Audit Committee members (summary or full)
 - (6) Bishop
 - (7) Vicar General
 - (8) Chancellor
11. The parish has 30 days after the final report to send their response to the Diocesan Department of Temporal Affairs
12. If the response does not adequately address corrective action on the report issues, the Reviewer will follow-up with the parish business manager/bookkeeper.
13. For parishes that have several high-risk internal control findings, Temporal Affairs will perform an on-site follow-up review of the parish.

On-site parish documents and processes reviewed:

- (a) Parish and Finance Council minutes.
- (b) Reporting process to parishioners, committees, and pastor.
- (c) ParishSoft software controls – users and permissions.
- (d) Segregation of duties.
- (e) ParishSoft contribution tracking and annual statements.
- (f) Parish support organizations.
- (g) Bank statements and reconciliations.
- (h) Offertory handling and rotating count teams.
- (i) Other Receipts, collections, and proper use of grants.
- (j) Fundraising and charitable gaming.
- (k) Disbursements and credit cards.
- (l) Sales Tax on items sold and Use Tax on purchases.

- (m) Petty cash procedures.
- (n) Catholic Mutual ledger pages.
- (o) Payroll and personnel.
- (p) Mass Intention process.
- (q) Use of gift cards and payment of bonuses.