



CATHOLIC DIOCESE *of* JACKSON

Diocese of Jackson Initial Audit Process

1. An audit letter is sent to the pastor/parish administrator announcing the audit start date 30 – 45 days prior to the audit. This letter will include general objectives, estimated dates of fieldwork, the audit period, processes audited, and other related information.
2. The audit period will be the previous fiscal year (as of the date of the audit) with possible additional limited testing of certain transactions or areas within a previous two-year period.
3. The Auditor begins the preliminary work by auditing:
 - i) The annual Internal Control Questionnaire (ICQ) responses.
 - ii) Any prior audit reports and responses (N/A for first audits).
 - iii) The Temporal Affairs parish file.
 - iv) Cathedraticum assessments, insurance payments, and Deposit and Loan activity.
 - v) Paycom/Paycor payroll reports.
 - vi) ParishSoft Statement of Activities, actual vs. budget, and Statement of Financial Position.
 - vii) ParishSoft contribution reports, including selection of donors for confirmation requests.
 - viii) ParishSoft General Ledger
 - ix) ParishSoft Deposit Register
 - x) ParishSoft Check Register and Credit Card Charges
 - xi) ParishSoft Journal Entry List
 - xii) The current Chart of Accounts for additional accounts and subaccounts
4. On the first scheduled onsite day of fieldwork, a meeting is held with the Auditor, the pastor, the business manager/bookkeeper, and other key individuals. The on-site audit process and the final reporting process are discussed.
5. The audit is conducted. Depending on the size of the parish, the audit fieldwork will last two to five days plus additional follow-up questions as needed.
6. An exit meeting is held with the auditor, pastor, business manager/bookkeeper and other key individuals to discuss the results of the audit.

7. A preliminary report is sent to the pastor and business manager/bookkeeper to review and suggest any change requests.
8. 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
9. The parish has 30 days after the final report to send their response to the Diocesan Department of Temporal Affairs
10. If the response does not adequately address corrective action on the report issues, the Auditor will follow-up with the parish business manager/bookkeeper.
11. For parishes that have several high-risk internal control findings, Temporal Affairs will perform an on-site follow-up audit of the parish.

On-site parish documents and processes audited:

- (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.