

Corridor District of the North Carolina Conference
The United Methodist Church

Annual Audit

Directive

The Annual Audit is required of every United Methodist Church per Paragraph 258.4(d) of the 2012 Book of Discipline. An “audit”, as the term is used in the Discipline, is meant to be a process that provides reasonable assurance that **good stewardship** is being used in handling and accounting for the funds and other assets of the local church.

Rationale

As a Connectional Church, we are already bonded in covenant with each other. Sharing in the work of the **Annual Audit** only strengthens that covenant. We enter into opportunities to build greater trust and participation with one another in ministry through this process.

Procedure

Churches grouped in **NETWORKS** for the Annual Charge Conference can also share in the Annual Audit of each other’s churches. The list of churches is made and the first church audits the second church on the list and so forth until the end of the list is reached. The last church on the list will audit the first church.

Members of the **AUDIT COMMITTEE** should be elected at Charge Conference. This committee should be comprised of the Lay Leader, the church treasurer and the Finance Chairperson.

The Church Treasurer of the **AUDITED CHURCH** should be present for the Audit along with the Finance Chair of the Audited Church.

Purpose

This method of performing an Annual Audit accomplishes the following:

- Builds our Connection
- Provides for independent review of our financial books
- Gives the opportunity for us to serve one another.
- Allows us to share best practices with each other
- Discover better ways of conducting our ministry and financial books
- Celebrates what other churches are doing in ministry (The auditing church observes what the audited church is doing in ministry and practice allowing a free flow sharing of ideas)