

6-3: External Financial Audits

1. Responsibility Centre: Financial Management Committee

2. Rationale or Purpose

Properly conducted audits by qualified persons who are *at arms-length* from BCUC are needed to provide transparency concerning the finances of the Church. Audits also provide reassurance for members of the Financial Management Committee (FMC), the Trustees, and the Treasurer that their practices conform to those normally accepted.

3. Policy Statement

BCUC is to have an annual financial audit conducted by a qualified external organization.

4. Scope

Although audits are required annually, this does not preclude holding an additional audit at any time under special circumstances. Audits should cover all receipts and expenditures of the Church, including those covered by general operating, capital, directed funds, restricted and unrestricted gifts, the endowment fund, and funds raised at special events.

5. Procedures

The name of the external auditor is to be proposed by the Church Board at a date sufficiently early to allow at least 14 days for comments from members of the congregation and for approval at a congregational meeting. Results of the audit are to be presented to a congregational meeting for approval, again allowing at least 14 days for members to absorb the information.

6. Roles/Responsibilities

The Chair, FMC, suggests the name of the proposed auditor, checks on qualifications and certifies that the auditor is truly *at arms-length*. The Church Board then recommends the proposed auditor to the congregation for approval.

The Financial Management Committee is responsible for maintaining this policy.

7. Definitions

- a) Audit: Formal examination and verification of financial accounts.
- b) At arms-length: Having no other contact with, or interest in, BCUC.

8. References:

- a) Resolution at Congregational Meeting of February, 2002
- b) *BCUC Handbook*, Terms of Reference of the Financial Management Committee: The Committee 6: arranges for audit of Church accounts

- c) *BCUC Handbook*, Terms of Reference of the Board of Trustees: The Board. 4: manages the Congregation's investments, including *The Bells Corners United Church Endowment Trust*, and receives and administers any monies, bequests or donations directed to the Trustees by the Church Board

9. Approval authority: Church Board

10. Reviewed: Financial Management Committee: May, 2013

Approved: Church Board: January 15, 2014

Replaces: October 2008