

**Canon 703.3 Audits.** All accounts, funds, and other financial records of Congregations or bodies carrying out Diocesan programs must be audited annually by a certified independent public accountant or by an accounting agency or audit committee in a manner suitable for approval by Diocesan Council.

- a. Certified independent public accountants or members of accounting agency or audit committees conducting an audit must not be members of the congregation or body whose financial records are being audited.
- b. Members of audit committees do not need to be professionals and are not required to follow formal auditing procedures. The audit, however, should establish accurate records and good accounting practices. All national and Diocesan guidelines for audits, such as the *Audit Guidelines for Congregations* in the most current *Episcopal Manual of Business Methods in Church Affairs*, should be followed. Each designated fund should be audited to assure that the funds are being collected and expended in accordance with the guidelines, by-laws, or Vestry or Bishop's Committee resolution which established the funds and to assure that funds have not been spent in ways not authorized.
- c. All congregational financial records shall be made available for audit, including, but not limited to, pledge income, operating costs, building funds, memorial funds, endowments, foundations, discretionary funds, men's or women's club, guild or group funds, segregated choir funds, youth fundraising, or other fundraising activities which are kept in segregated accounts, account balances from prior year pledges and any and all other designated or undesignated fund balances.
- d. All financial records of Diocesan Institutions or other bodies carrying out Diocesan programs, including records similar to those identified in subsection (c) above, should be made available for audit in the same manner.