

February 27, 2026

TO: Church Treasurers and Rectors/Vicars/Priests-in-Charge
FROM: Vicki Escalera, Diocesan Treasurer
SUBJECT: Training and Deadline for Church Audits of 2025 Financial Information

Audit reports regarding your church's accounts and financial activity for the year ended December 31, 2025, are due to the Diocese and your vestry by September 1, 2026.

Options to arrange church audits are described in the Arrangements for 2025 Audits form sent to you last month. Contact me directly at 401-369-0486 if you need assistance lining up volunteers or making other arrangements to get the audit of your church completed by its due date. Free training-on-site or via Zoom – for members of your church's audit team will be offered on request again this year, and a one-hour workshop devoted to practical overview of audit steps will take place at Vestry Day on Saturday, March 28, 2026, at St. John's Church in Barrington.

Annual audits are an essential element of internal control over the integrity of financial reporting and required by Canon 15.6 of the Diocese of Rhode Island to reinforce good stewardship, detect fraud or significant errors if they have occurred, and provide assurance that income subject to apportionment has been reported fully and fairly. All funds in the church's custody, including priests' discretionary funds, must be audited by individuals who were not involved in creating or authorizing the transactions being audited. It is appropriate for discretionary funds to be audited by an auditor from outside the parish or one member of a parish audit committee whom the church's priest trusts to maintain confidentiality about any individuals who were assisted by the funds. If the Senior Warden or someone else other than an audit committee member conducts this piece of the audit, they should attest the results of their procedures to the Audit Committee or sign the Certificate of Audit.

Necessary forms and helpful resources for those conducting churches' audits include the documents listed on the next page, which can be found on the Diocesan website: (<https://www.episcopalri.org/audit-information/>). Please provide this information to your church's audit committee members and don't hesitate to contact me (vicki@episcopalri.org) if you have any questions or need additional assistance with the audit process.

1. **Basic Records for Audit** – The Treasurer must gather the listed records and provide them to the auditors to conduct their work. The lead auditor will note receipt of the record (by date received or with a check-off mark) and submit a copy to the Diocese with the Certificate of Audit.
2. **Statement of Internal Control** – This is one of the basic records for the audit that the Treasurer must complete, sign, and provide to the auditors. Each member of the audit team should read it to understand how things work.
3. **Audit Procedures** – These are the procedures to be followed by the volunteer audit team or included in an agreed-upon procedures review by a CPA firm. If the church engages a certified public accounting (CPA) to conduct an audit of a full set of financial statements in accordance with generally accepted accounting principles, the CPA will follow their own procedures to meet the CPA profession's generally accepted auditing standards.
4. **Certificate of Audit** – This form is completed by the lead member of the volunteer audit committee, and all members of the volunteer audit committee must read and sign it. The original is to be given to the Vestry or Bishop's Committee of the church (to the attention of its Clerk, to be noted at the group's next meeting and in that meeting's minutes) and it should be posted for the congregation's information. Copies must be provided to the Finance Office of the Diocese, and may also be presented to other interested parties such as the Treasurer, Rector, and parish administrator.
5. **The Manual of Business Methods of the Episcopal Church, 2019 edition** (Link: [Manual of Business Methods – The Episcopal Church](#)) – This Manual is a useful reference for treasurers, wardens, clergy, and auditors, providing authoritative and helpful guidance and definitions for many matters and terms related to churches' accounting, internal controls, parochial reporting, discretionary funds, and more.