

**Report of the Audit Committee**  
**Congregational Budget Meeting January 27, 2008**

That the Congregation recognize the continuing dedication and diligence of the counters, treasurer, bookkeeper, and other volunteers and staff involved with CtK finances by granting them an official "thank you" from the Congregation budget Meeting.

Procedures be developed and promulgated for an overall financial system and for specific tasks such as counting and expense approval.

That a committee be formed to examine and recommend upgrades to the present financial software used by CtK, including the possibility of remote entry by the bookkeeper and the financial secretary.

That quarterly reports be given to members to inform them of the status of their giving.

Periodic reminders should be given verbally, in CtK news, and the Clarion to remind sponsors of flowers and the external flame to submit their contributions.

That a systematic report of the Memorial funds be automatically sent to the survivors.

That a person be appointed to oversee memorials funds, including recording any restrictions or preferences for their dispersal.

That minutes of the annual Congregational Budget meeting be included in the financial records.

That an audit committee be chartered for the calendar year 2007.

Ralph F. Gerenz  
Chair, FY 2006 Audit Committee

Kristi Demanche

Diane Brown

**References**

Congregation Audit Guide, Prepared for Congregations of the ELCA and available at ELCA web site, undated.

Financial Secretary Responsibilities December 26, 2005

Christ the King Lutheran Church Financial records for 2005 and 2006

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Chartered by the church Council, a committee consisting of Ralph Gerenz, chair, along with Kristi Demanche, and Diane Brown conducted an audit of the Christ the King Lutheran Church financial activities for the fiscal year 2006.

**Scope** The audit charter was to assess the financial records, policies and procedures of Christ the King Lutheran Church together with those of Chapel School (August 2005 – June 2006) and the Altar Guild. Other entities, including the youth ministry and Sarah Circle transactions are largely integral to those of CtK. The Men's Breakfast and the Adult fellowship finances were not addressed since they are primarily reimbursement for meeting and event expenses and have minimum retained funds.

**Audit Procedures** The audit was carried out through a combination of observation, review of procedures, interviews with participants, and by an examination of the financial transactions as recorded on bank records, payroll reports, payment authorizations, and other financial records.

**Findings** The policies and procedures in place, both written and incorporated in the forms (such as the check request form and the counter's weekly report) served to ensure prudent stewardship of Congregational funds and missions.

No material departures from generally accepted business and accounting practices were uncovered during the audit.

No instances of transactions of a fraudulent or inappropriate nature were uncovered in the course of reviewing the financial records.

Security procedures for storing monetary receipts received after the weekly Sunday deposit were improved.

**Analysis** The audit was hampered by the lack of documented procedures for the system as a whole and for many of the separate tasks. The lack of guidelines and a unified computer based accounting system results in a burden on volunteers and a lack of ongoing awareness of the status of CtK financial status. This shortcoming also hampers the transition of responsibilities and the training of new volunteers.

The experience and the dedication of the CtK staff and lay volunteers involved in financial transactions and monitoring are to be commended for their effort in making the systems work nevertheless.

**Recommendations**

That the use of "Simple Giving" and other electronic payment methods be encouraged. They have the potential to reduce the workload of the counters and financial secretary. The use of these financial vehicles will also help keep parishioners contributions up to date and smooth out cash flow.