

Mission Financial Audit

MISSION AUDIT PROGRAM
 MISSIONARY DEPARTMENT
 50 E NORTH TEMPLE ST RM 345W
 SALT LAKE CITY UT 84150-5400

Phone: 1-800-453-3860, extension 2-3070
 Fax: 1-801-240-1856

Instructions

The Mission

The mission president should consult with local stake presidents to determine who should be assigned to perform the audit. If desired, two brethren could work together on the audit. Those performing the audit must not be from the mission office staff.

Important: *Everyone who participates in the audit must keep records and audit information confidential.*

The mission president, financial secretary, and other secretaries and coordinators (as needed) are to be available to answer questions during the audit.

The Auditor

The auditor should:

- Meet with the mission president and the financial secretary to identify any areas of special concern.
- Complete the "Audit Checklist" section (pages 1–3) by marking the box next to each numbered item to indicate whether the statement is true, false, or not applicable (NA). Every item in this checklist should be marked.
- For any item marked "False," write the item number in the first column of the "Corrective Action Plans" section (page 4) and, in the second column, write an explanation of the audit exception.
- Ask the mission president and the financial secretary to fill out the third and fourth columns of the "Corrective Action Plans" section (page 4) for each audit exception.

- Review the results of the audit, including any corrective action plans, with the mission president.
- Have the mission president approve the corrective action plans by signing in the "Audit Report" section (page 4).
- Indicate completion of the audit by signing in the "Audit Report" section (page 4).
- Leave a copy of pages 1–4 with the mission president as a record of the audit exceptions that were identified.
- Encourage the mission president to correct the audit exceptions as soon as possible.
- Return the completed Mission Financial Audit form (all five pages) within three days of completing the audit to the address or fax number above.

Auditors and mission presidents may direct any questions about this audit to the Missionary Department at the phone numbers listed above.

Important: *The audit is to be completed and returned to the Missionary Department by February 28, 2006.*

Audit Checklist

Password, Signature, and Checks

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>1. Only the mission president signs checks or enters his password in MOS for electronic funds transfers (EFT). The mission president has not shared his MOS password with anyone.</p> <p>The mission president's signature and his Mission Office System (MOS) password are the most important controls in the mission office. Even one exception is critical.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>2. The mission president never signs a blank check.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>3. Blank checks are locked in a safe, desk drawer, or file cabinet. Access is limited to the mission president and the financial secretary.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>4. The mission has only two bank accounts: Zions First National Bank for checking and a local bank for making deposits.</p> <p>Mark false if the mission has any other bank accounts.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>5. Spoiled checks are voided by tearing off the signature portion of the original and by writing or stamping the word "Void" on the check, and they are placed in the vendor files under "Void."</p>

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Audit Checklist—continued

Payments Payments are made by check or electronic transfer.

Items 6 through 12 below are used with the "Payment Schedule" section (page 5) to test sample payments.

Randomly select eight missionary reimbursements, eight rental payments (including at least two electronic payments, if applicable), and eight other payments by check (including at least one vehicle repair, reimbursement to the mission president or office staff, petty cash fund reimbursement, and large or unusual payment). Fill in the requested information on the "Payment Schedule," including your evaluation of items 6 through 12, for each selected payment. Then summarize the results below. For example, if you marked "F" in column 6 of the "Payment Schedule" for one or more of the payments, you would mark "False" on item 6 below. Include the number of payments not meeting the standard, if any, in your explanation of the audit exception on page 4.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Each payment is documented. There should be an original invoice or apartment lease agreement for each payment. If there is not, then there must be a written explanation of the purpose of the payment and how the amount was computed.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. The name on the invoice or apartment lease agreement matches the payee's name on the check exactly.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. For electronic rent payments, the bank account number for the landlord matches the bank account number on the electronic rent payment report exactly.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. The amount of each payment matches the amount shown on the invoice, missionary reimbursement request, or apartment lease agreement.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Every invoice or payment report is signed or initialed by the person who verified the receipt of the goods or services.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Every invoice or payment report is signed or initialed by the mission president, indicating his approval for payment.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Each invoice, bill, payment request, or payment report is stamped "Paid," attached to the check stub(s), and filed together alphabetically in the current year's vendor files.

Credit Cards

The mission has three office credit cards (mission president, PC1, and PC2) and a fuel-only credit card for each mission vehicle. Select two monthly statements each for the three office cards and for at least four different fuel-only cards. Review all the transactions on each statement.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Each charge on each statement has a detailed charge slip or explanation to support it.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Statement amounts match charge slip amounts.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. The card user signed the monthly statement, indicating review and verification of the charges.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16. The mission president signed each of the three office credit card statements, indicating his review and approval of the charges.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17. The vehicle coordinator signed each of the fuel-only credit card statements, indicating review and approval of the charges.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18. The monthly credit card statements (including fuel-only cards), with supporting charge slips attached, are filed alphabetically under JPMC in the current year's vendor file.

Receipts and Deposits

The mission receives cash and checks for various reasons and deposits them in a local bank account. Complete this section after reviewing any cash on hand and any pending deposits.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Each check received is immediately stamped or endorsed on the back "for deposit only" with the mission's name and bank account number.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. Receipts are prepared in MOS as funds are received. For cash (not check) receipts, a copy of the receipt is given or sent to the payer of the funds. No other receipts are used.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. All funds received are deposited at least weekly, preferably on Fridays.

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Audit Checklist—continued

Distribution Services Orders

The mission orders proselyting materials, such as no-charge items, videos for filling media referrals, and copies of the Book of Mormon for distribution to missionaries. The mission office should sell few or no items, even to missionaries. Missionaries should obtain any other proselyting materials, scriptures, videos, and so on from a Church distribution center, a local LDS bookstore, or the missionaries' families. Select several orders to review.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22. The mission president approves and signs (or initials) all Distribution Services orders.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23. Each order is verified when it is received and is properly charged to the mission.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24. Order forms, packing slips, and Internal Record of Purchase/Service (IROP) forms are stapled together when the order is completed and are filed in the current year's vendor files.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25. The mission does not sell any materials, supplies, inventory, copies of the Book of Mormon, and so on to members, wards, or stakes.

Missionary Housing

Review four recently closed apartments and four currently open apartments.

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	26. There is a signed lease document in each open-apartment file.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	27. There is a letter requesting a refund of the security deposit in each closed-apartment file.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	28. For closed apartments, returned security deposits are coded to account 900-1925, and nonreturned amounts are charged to account 400-5862 using a journal voucher.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	29. Missions in the United States follow up on missing or incorrect W-9 information to avoid financial penalties.

Other Financial Matters

True	False	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	30. Missionary debit cards and medical identification cards are returned to the mission office and destroyed when missionaries leave the mission.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	31. The postage meter and stamps are locked up at night or when not being used.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	32. The petty cash box is locked in a safe, drawer, or file cabinet when not in use.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	33. The total of petty cash and reimbursement vouchers matches the fund balance shown on the Statement of Operations, account 900-1200. Verify by counting.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	34. The mission office has a valid license for all commercial software on all mission office computers.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	35. Internet filters are never removed or bypassed to access unauthorized sites.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	36. MOS is backed up daily, and weekly backups are stored away from the mission office.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	37. A local member with a technical knowledge of computers and software has been assigned as the mission computer specialist.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	38. Paid housekeeping or cooking services for the mission home, if not provided by a Church employee, are provided by an independent contractor, and payment is made by the mission office in accordance with a signed contract.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	39. Proceeds from the sale of mission vehicles are received from the buyer in the form of a cashiers check or money order. The proceeds are sent to the area fleet manager in Salt Lake City at the completion of the sale.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	40. The mission has a detailed list of the balance in account 900-1300.

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Payment Schedule

	Payee	Document number	Date mm/dd/yy	Amount	6		7		8		9		10		11		12	
					T	F	T	F	T	F	T	F	T	F	T	F	T	F
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