

# Memorandum

**To:** Diocesan Assembly, Diocese of the West  
**CC:** Right Rev. Bishop Benjamin, Archpriest David Brum  
**From:** Diocesan Auditing Committee  
**Date:** 7/24/2007  
**Re:** Diocesan Audit

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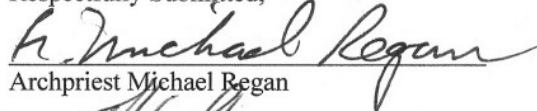
The Auditing Committee met on Wednesday, June 27, 2007, at Holy Resurrection Church in Tacoma, Washington, to audit the accounting records of the Diocese of the West for calendar year 2006.

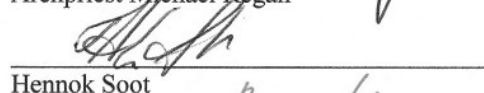
The Committee found the records to be in order and the attached reports for calendar year 2006 to fairly present the financial position of the Diocese as of December 31, 2006.

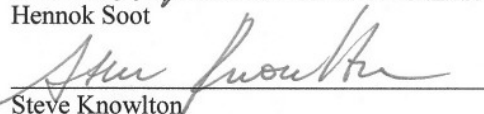
The Committee recommends:

1. That financial reports be simplified, to the extent possible, to provide a more easily understood report;
2. That the Diocese institute a separation of income and expense functions;
3. That the treasurer's procedure manual be reviewed and updated by the Treasurer to reflect current procedures;
4. That the users of any Diocesan credit cards be authorized by resolution of the Diocesan Council;
5. That there be a review of insurance coverage and exposures for the Diocese;
6. That there be a written review of Diocesan finances for 2007 by an external CPA firm;
7. That the Diocese establish a policy for regular (i.e. tri-annual or five-year) external reviews of the Diocesan finances, as deemed necessary;
8. That the Diocese consider reflecting the probability of collecting certain parish assessment receivables in the Balance Sheet; and
9. That the Treasurer should confirm that employees' salaries, payroll taxes, and withholding amounts were being paid, reported, and withheld in accordance with applicable IRS, State, and OCA guidelines in 2006 and should report to the Diocesan Council on any material discrepancies.

Respectfully Submitted,

  
Archpriest Michael Regan

  
Hennok Soot

  
Steve Knowlton