Financial Controls and Processing of the Collection

Anglican Parish of Central Saanich
St. Mary's Church St. Stephen's Church

Pursuant to the letter of April 8, 2015 from Bishop L. McMenamie, a review of the Collection process and controls observed at St. Mary's was undertaken by David Cooper (Treasurer), and Derek Osman (People's Warden). Following are the observations, and recommended remedial action to be taken.

1. **Directive:** The collection should be counted at the church building as soon after the main service as possible.

   Observations:

   a) In most instances, the process followed by St. Mary's is in compliance with this directive. The collection is counted immediately following the morning service.
   b) When there are no "counters" available for counting the collection immediately following the service, the collection is locked up in the Rector's office until it is later counted by a "counter" or the Treasurer.
   c) On rare occasions, and for the convenience of the Treasurer, the collection was taken to his home to count and to complete the deposit slips for the Credit Union.

   Exposure / Contravention:

   a) On occasion, the collection has not been counted, for up to two days, due to availability of "counters" or the Treasurer (with absences due to long weekends or vacation). However, thereafter the collection was counted as soon as possible.
   b) On occasion, the collection was taken home, for convenience of completing this work in the evenings.

   Remedial Actions:

   a) Additional "counters" will be identified and their names will appear on a published rotational schedule.
   b) The practice of taking the collection home will stop immediately.

2. **Directive:** Two individuals, who are not married to each other or otherwise connected, should count the collection.

   Observations:

   a) On occasion, the collection will be counted by only one individual. When this occurs, the count is independently verified by another individual. The individual who verifies the count of the original counter is not married to or otherwise connected to the original counter.
   b) When two count the collection, they are not married to each other or otherwise connected.

   Exposure / Contravention:

   a) On occasion, the collection will be counted by only one individual.
   b) When the only person to count the collection is the Treasurer, it is also the Treasurer who will verify the count, and prepare the deposit slips for the Credit Union.

Remedial Actions:

a) Additional "counters" will be identified and their names will appear on a published rotational schedule. With additional "counters" there will be two individuals who will count, and verify the count, of the collection.

3. Directive: The collection should be deposited by two people as well, as soon as possible. Under no circumstances should the cash be taken to someone's home.

Observations:

a) The deposit slips are prepared by one individual, with the physical deposits to the Credit Union being made by another individual. There is a clear separation of duties, and therefore deemed to having the collection deposited by two people. With this practice, the collection is deposited in the Credit Union as soon as possible, given prevailing banking hours/days.
b) On occasion, for convenience reasons, the collection/cash was taken to someone's home. When this occurred, the deposit slips for the Credit Union were also prepared at home, and the collection deposited at the earliest appropriate time.

Exposure / Contravention:

a) The cash was taken to someone's home. With the timely deposit of the cash at the Credit Union, and the existing controls, this was not deemed to be an exposure, historically. Rather, it expedited the deposit of the cash in the Credit Union.
b) The practice of one individual preparing the deposit slips, and a different individual depositing the collection in the Credit Union is not deemed to be a contravention of the directive from the Diocese.

Remedial Actions:

a) The practice of taking the collection home will stop immediately.

4. Directive: Bank reconciliations, financial analyses, and bill payments should be up-to-date.

Observations:

a) Bank reconciliations, financial analyses, and bill payments are current and timely.

Exposure / Contravention:

a) None.

Remedial Actions:

a) None.

Summary:

The observed contraventions of the directives from the Diocese will substantially be mitigated by increasing the number of "counters" to ten. They will rotate the counting duties in accordance with a published list by date.

With sufficient "counters" there will be no need to expedite the deposit processes by taking cash home. This and other areas needing remedial action will be eliminated.

Signatures:

_________________________________ _____________________________________

David Cooper, Treasurer Derek Osman, People's Warden

Dated: ____________________ ________________________