



30 March 2009

Dear Treasurers of Church Councils,

### RELAXATION OF AUDIT RULES FOR SMALL CONGREGATIONS

The Synod Audit Committee (SAC) has been aware for some time of concerns about meeting audit requirements experienced by small congregations. Additionally, a serious problem is arising for congregational auditors who are members of professional bodies, in that the requirements of professional bodies have changed to mandate many requirements if the work is strictly auditing.

Congregational audits are governed by the Uniting Church's regulations. However, the SAC has received advice from the National Assembly that it can now relax the regulations and accordingly the SAC asked the Synod Standing Committee to approve new rules. At its meeting in February 2009, new rules were approved by Standing Committee, effective immediately and applicable to financial reports for the period ending 31 December 2008. In line with the approval, the SAC has issued guidelines, a copy of which is attached. These new rules apply to small congregations only.

The new rules allow for a report to be prepared by an 'Independent Examiner'. It should be noted that whilst the qualifications of auditors or independent examiners have not changed, the type of work that these people will do and the report they provide are now different.

The task of the independent examiner is much less onerous. Where the independent examiner approach is adopted, congregations will receive a different report (see the attached guidelines) based on a degree of scrutiny that is sufficient for smaller congregations.

A small congregation is defined as one where the annual financial statement for the **previous** year shows a gross income of less than 2.5 times the 'notional stipend'. The notional stipend is determined each year by the Beneficiary Fund of the UCA, and in 2008 the notional stipend was \$39,764. In 2009 it is \$41,355.

If an independent examiner is to be used by a small congregation for the financial statements ending 31 December 2008, then the relevant gross income figure that comes from the financial statements for the period ending 31 December 2007 would need to be less than 2.5 times the 2007 notional stipend which was \$37,870. Hence, if your congregation in 2007 had a gross income of less than \$94,675 (2.5 x \$37,870), then you are entitled to have your accounts for 2008 audited by an independent examiner.

Please note that the independent examiner approach is not mandatory, and a small congregation may choose to have a full audit undertaken.



Whichever method you choose to use, your congregation's auditor's report or your congregation's independent examiner's report (including the financial statements themselves) must be forwarded to the following appropriate person for your Presbytery as soon as possible after those reports are presented to your congregation.

Gippsland:	Mrs Wendy McDonald Presbytery Minister, Admin PO Box 330 TRAFALGAR VIC 3824	Port Phillip West:	Rev Robert Renton Presbytery Minister, Admin 16 Baden Drive HOPPERS CROSSING 3029
Loddon Mallee:	Ms Judy Berridge Presbytery Minister, Admin 2/57 Napier Street MARYBOROUGH 3465	Tasmania:	Ms Sue Walker Secretary 96 Margaret Street LAUNCESTON TAS 7250
North East Victoria:	Ms Joan McRae Secretary Box 1064 SHEPPARTON 3632	Western Victoria:	Mrs Alison Cook Secretary PO Box 4157 ALFREDTON 3350
Port Phillip East:	Rev David Peel Presbytery Minister, Admin PO Box 696 NOBLE PARK VIC 3174	Yarra Yarra:	Rev Keith Amos Presbytery Minister, Admin PO Box 4308 BALWYN EAST VIC 3103

Yours sincerely,



**Rev Rob Brown**  
General Secretary

