

**The 144th Convention of The Episcopal Diocese of Western Michigan
Resolution 3**

Subject of the Resolution: Regarding Audits, Amend Section 28.01 of Title II of the Canons of The Diocese of Western Michigan

Submitted By: Mr. Dave Croal

Be it resolved, that this 144th Convention of The Episcopal Diocese of Western Michigan amend section 29.01 Audits of Title II of the Canons of The Diocese of Western Michigan which currently reads: As soon as may be after the close of each fiscal year, the accounts of all officers handling funds, whether of the Diocese or its auxiliaries, or of congregations and their auxiliaries, shall be audited in accordance with *The Episcopal Church Manual of Business Methods in Church Affairs*.

Be amended to read: As soon as may be after the close of each fiscal year, the accounts of all officers handling funds, whether of the Diocese or its auxiliaries, or of congregations and their auxiliaries, shall be audited in accordance with *The Episcopal Church Manual of Business Methods in Church Affairs* and The Episcopal Diocese of Western Michigan Policy, "Annual Audit of Congregations". Copies of audit reports shall be submitted to the Diocesan Treasurer for review by September 1 following the close of the fiscal year.

(a) Congregations who fail to complete and submit the audit proscribed for them, by Diocesan Policy, by September 1, will be seated at diocesan convention without voice.

(b) Any congregation who fails for two consecutive years to complete and submit the audit proscribed for them, by Diocesan Policy, by September 1, will be seated at diocesan convention without voice or vote.

(c) Any congregation who fails for three consecutive years to complete and submit the audit proscribed for them, by Diocesan Policy, by September 1, shall specifically request of Convention, by motion, permission for seat, voice and or vote. Without the granting of such a motion the congregation shall not have seat, voice or vote at Convention.

Rationale: The Canons of the Episcopal Church and of the Diocese of Western Michigan require that all congregations and their auxiliaries submit an audit of the just finished fiscal year. This process is designed to review on an annual basis the financial records and the operational practices of congregations to ensure that we are good stewards. We as a Diocese have not consistently met these requirements. This canon change requires that these audits be accomplished and references the policies of *The Episcopal Church Manual of Business Methods in Church Affairs* and The Episcopal Diocese of Western Michigan Policy "Annual Audit of Congregations" and specifies sanctions for non-compliance.