





ASSURANCE / ADVISORY



Your Trusted Advisor

GCAS 2023 Annual Report

Presented by Robyn Kajiura at the 2024 GC Annual Council

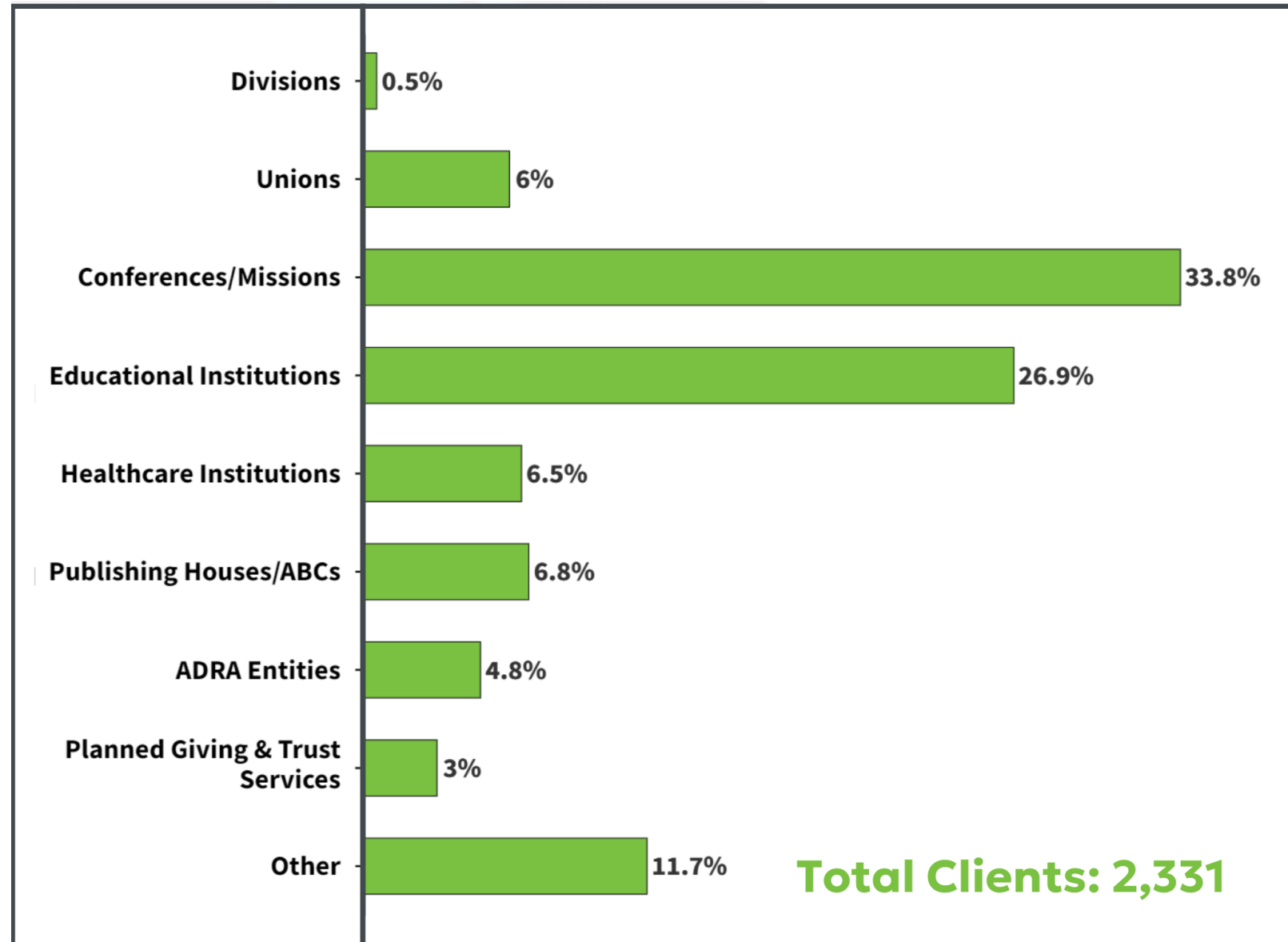
Our Responsibility

The **General Conference Auditing Service** serves as the Seventh-day Adventist Church's preferred provider of assurance and related services. The GCAS client base (portfolio) includes all denominational organizations such as General Conference institutions, world divisions and their institutions, unions/union of churches and their institutions, local conferences/missions/regions/field stations and their educational institutions at the secondary level or higher, and Adventist Development and Relief Agency country offices and projects not audited by external auditors.

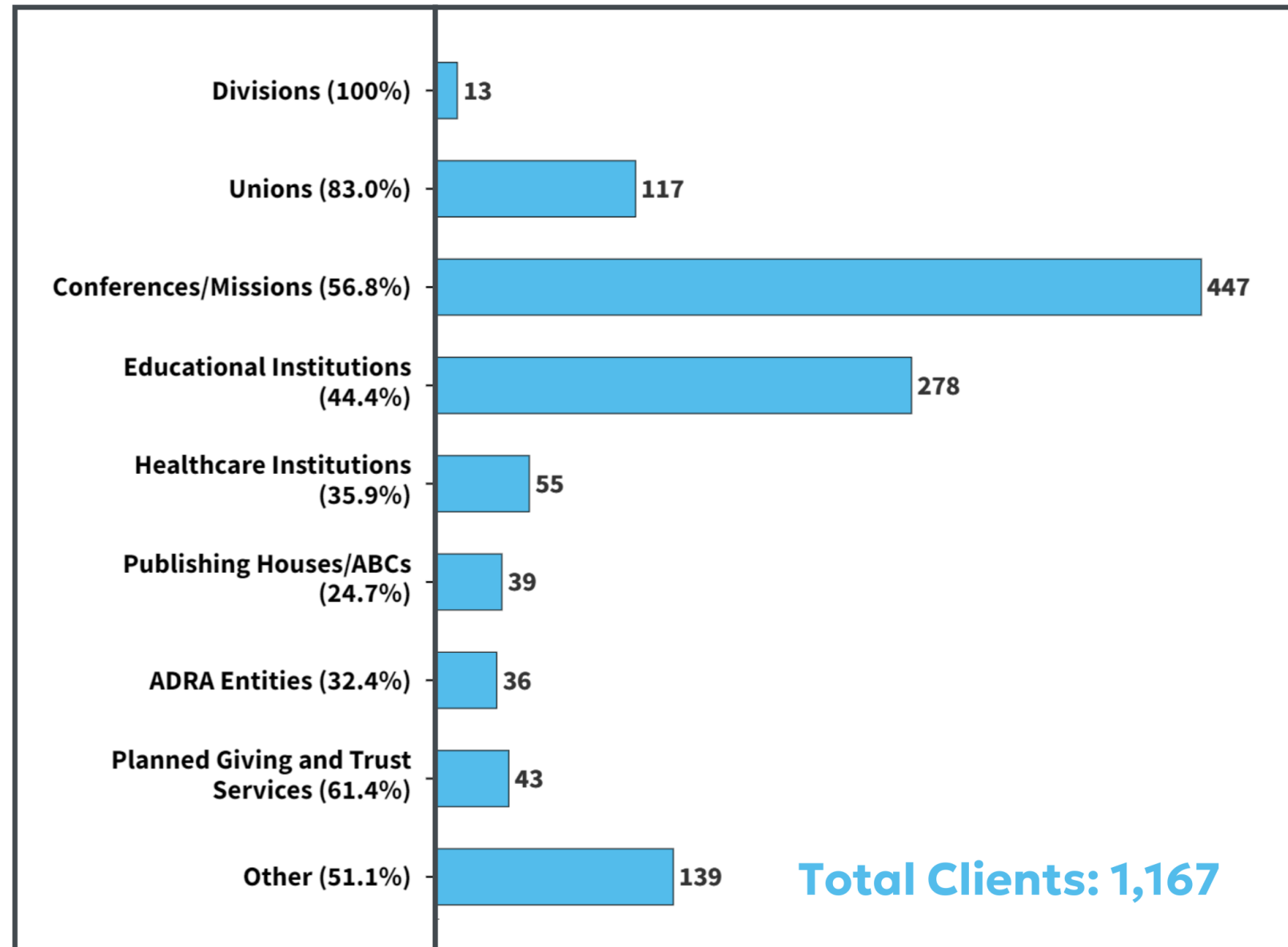
- General Conference Working Policy SA 05 25



Our Responsibility – Portfolio



Our Commitment – Annual Work Plan



The GCAS Family

How good and pleasant it is when God's people live together in unity!

- Psalm 133:1



Our Team

Professional Certification

In our audit team, **65.9%** hold globally recognized professional accounting or auditing certification, and **34.1%** are working towards certification.



Auditor Demographics

The audit team consists of **33.2%** women and **66.8%** men.



Our Shared Mission

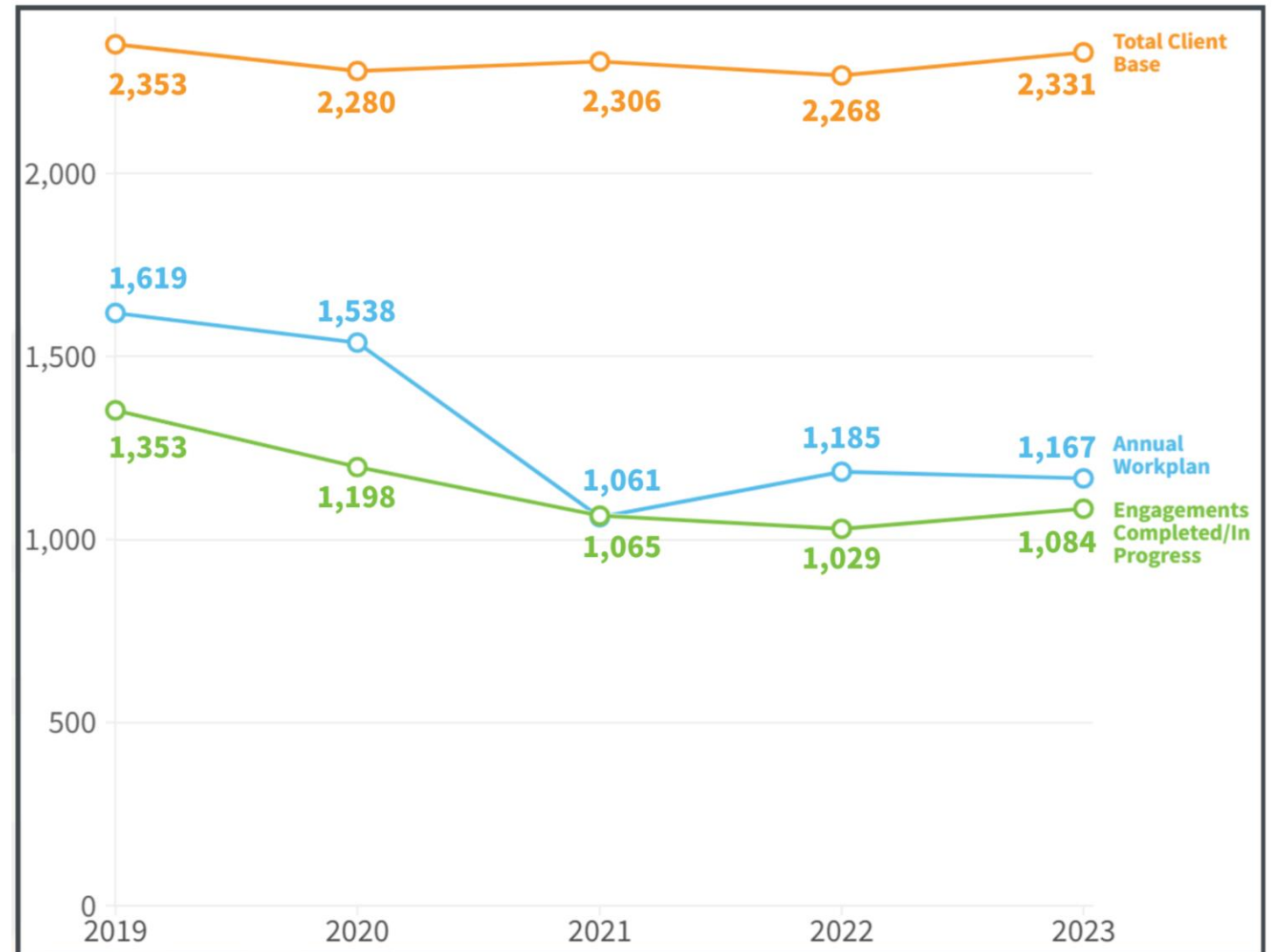
/// We serve God by delivering excellent audit services to the Seventh-day Adventist Church!

Our Values

- /// Service
- /// Integrity
- /// Respect
- /// Professionalism
- /// Efficiency



Workplan Progress Report



2019 - 2023 Annual Workplan Results

Portfolio Summary

Type of Entities	Total Portfolio	AWP	Engagements			*PY Engagements Completed
			Completed	In Progress	Not Attempted	
Divisions	13	13	9	4	-	2
Unions	141	117	84	26	31	15
Conferences / Missions	787	447	350	85	352	43
Educational Institutions	626	278	210	42	374	24
Healthcare Institutions	153	55	45	10	98	6
Publishing Houses / ABCs	158	39	34	1	123	4
ADRA Entities	111	36	28	9	74	4
Planned Giving & Trust Services	70	43	12	33	25	-
Other	272	139	88	14	170	8
Total	2,331	1,167	860	224	1,247	106

*PY Engagements - Additional engagements completed in 2023 for the same organization relating to prior years

Auditor Reports 2023

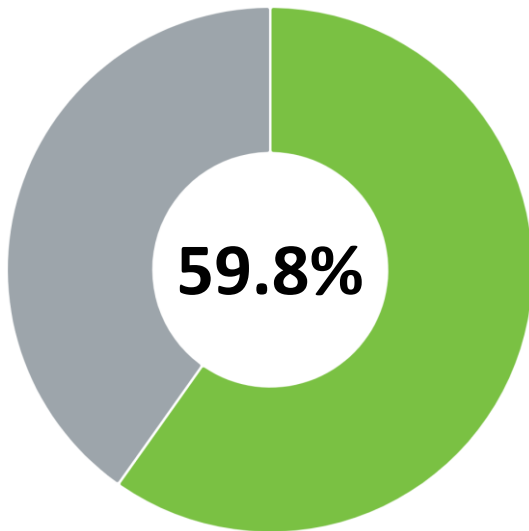
All Scripture is inspired by God and is useful to teach us what is true and to make us realize what is wrong in our lives. It corrects us when we are wrong and teaches us to do what is right. God uses it to prepare and equip his people to do every good work.

- 2 Timothy 3:16-17

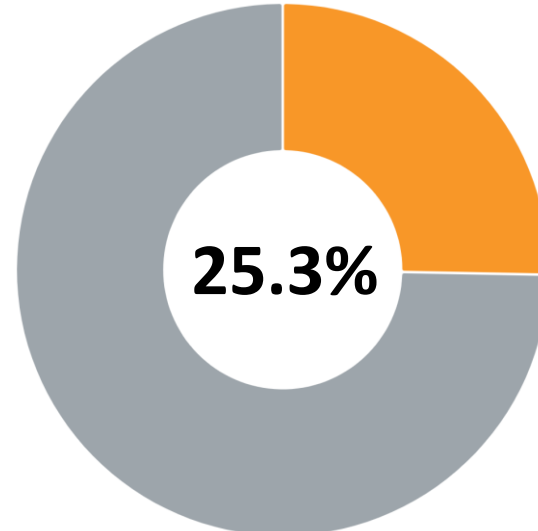


Auditor Reports

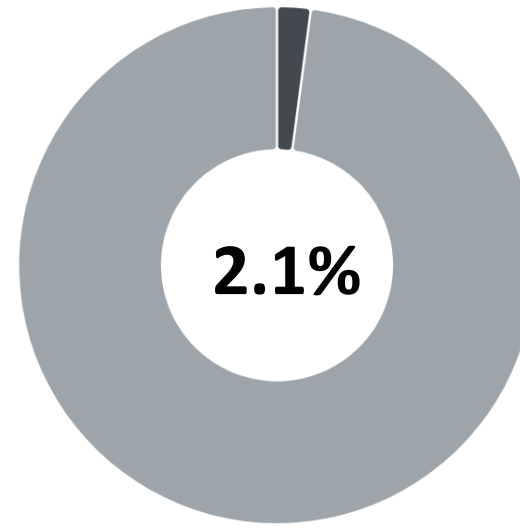
Standard



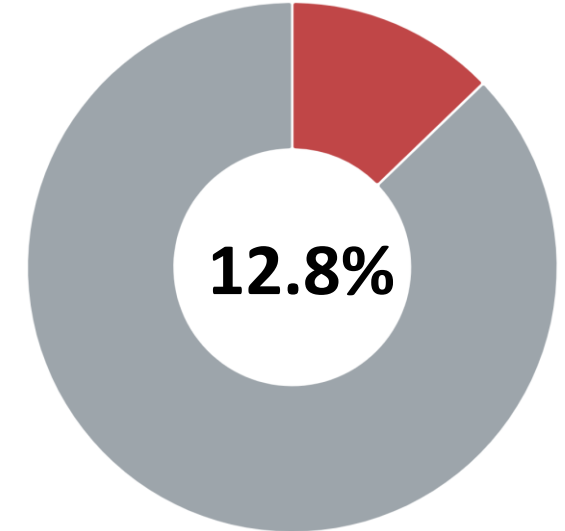
Qualified



Adverse



Disclaimed



Reporting Highlights

Most frequent reasons for providing a modified opinion on financial statements:

- /// Significant lack of evidence resulting in a disclaimer.
- /// Misstatement of accounts receivable.
- /// Lack of evidence for property, plant, and equipment.
- /// Lack of evidence for accounts receivable.
- /// Lack of evidence for inventory.

Reporting Highlights

Types of Internal Control Deficiencies

Design Deficiencies

A control that is **designed** in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis.

Operational Deficiencies

A control that is **implemented or operated** in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis.



Most Frequent Internal Control Deficiencies

Operational	Inadequate review/approval of journal vouchers and/or financial statements
Design	Inadequate monitoring of operating effectiveness of controls
Design	No fraud risk assessment performed
Design	Uncollectable accounts receivable / Evaluation of allowance not completed
Operational	Reconciliation of accounts not consistently performed

Policy Compliance

848 policy compliance reports were issued in 2023

80% had at least one violation of the core policies enumerated in General Conference Working Policy S 90

39% **Monthly financial statements** not prepared and/or presented / inadequate frequency

34% **Audit committee** missing or improperly constituted

31% **Conflict of interest statements** missing/incomplete

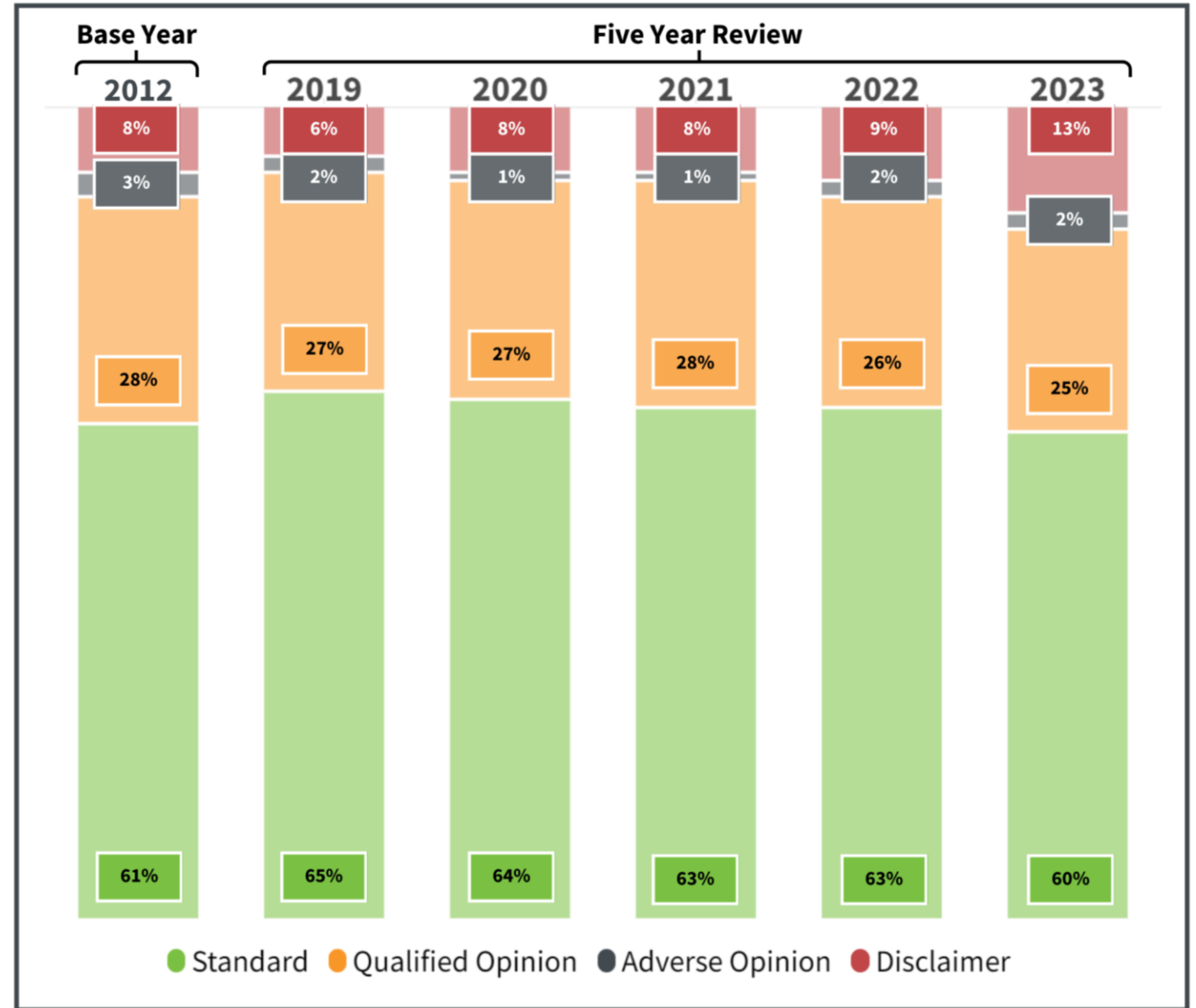
30% **Insurance coverage** not in harmony with policy

29% **Remuneration** and/or **benefits** not in harmony with policy

**The five
most
common
policy
violations
in 2023**

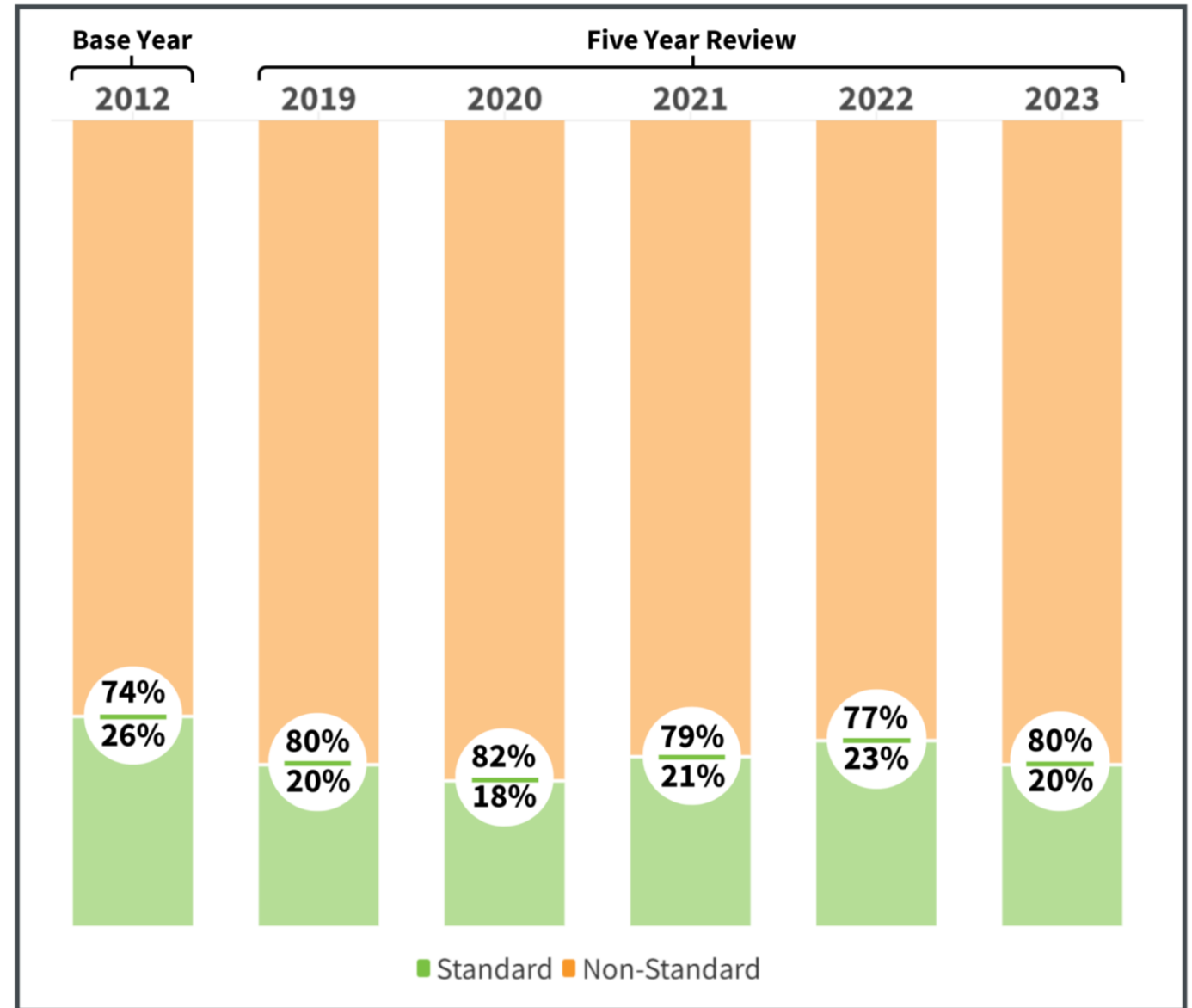
Progress Reports

Financial Opinions



Progress Reports

Policy Compliance



Current Trends in the Industry

Accounting

- ▄ Data Security
- ▄ Outsourcing
- ▄ Accounting Software

Auditing

- ▄ Leveraging Technology
- ▄ Cybersecurity
- ▄ Remote Auditing
- ▄ Quality Management





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