



E5 Joint Finance Panel Report

Charge and membership. Canon 12.1(e) designates the Joint Finance Panel as the Finance Committee of the Diocese. The Panel includes the diocesan Treasurer, who chairs it, and representatives selected by the Diocesan Council, the Standing Committee, and the Office of the Bishop. The Panel met quarterly during the year and handled interim business by email. This report covers the Panel's administration of Canon 12.

Congregational audits and reviews. Canon 12.1(d) requires each parish, mission, and diocesan institution to have its accounts and business records audited or reviewed annually under guidelines the Panel sets, with reports filed with the Office of the Bishop by June 15. The Panel kept diocesan checklists and forms available for congregations using the review option and tracked filings for the year ended December 31, 2025. 77 of 89 congregations filed; 12 remain outstanding and are receiving direct follow-up.

Audits of the diocesan corporation. Focused work continues with diocesan staff and the Diocese's external auditors to clear the audit backlog. On the Panel's recommendation, the Board approved a change in February 2026 from four separate annual audit reports to two: one consolidated audit covering operating, investment, and Diocesan Investment Fund activity, with segment disclosures as supplemental schedules, and a separate audit of the New Roots Fund. A separate audit is still required for each fiscal year.

Issued in 2026:

- **Fiscal year 2020.** The final legacy Operating audit was accepted by the Board in February 2026, completing all four fiscal year 2020 audits.
- **Fiscal year 2023.** The James F. Hodges Diocesan financial statements were issued in May 2026.

Outstanding as of September 30, 2026:

- **Fiscal years 2021 and 2022.** Agreed-upon procedures over material transactions, in place of full audits.
- **Fiscal year 2023.** The consolidated audit and the Single Audit remain open. Draft adjusting entries were circulated in August 2026.
- **Fiscal year 2024.** The engagement was signed in June 2026 and fieldwork is underway.
- **Fiscal year 2025.** Not yet scoped.

Financial reporting. The Panel reviewed the consolidated reporting package quarterly and reviewed the annual budget process.

Respectfully submitted,
Edward J. Barton
Treasurer, Diocese of Olympia
Chair, Joint Finance Panel