

Nonprofit Audit Tips

An audit is a review by an independent person or organization to review accounting and record-keeping. It often serves as a “seal of approval” that a nonprofit is responsible in its handling of its financial and other resources.

There are many good reasons to have an internal audit.

- An audit will ensure that financial records are in accordance with generally-accepted accounting principles.
- An audit is a good planning and budgeting tool for your agency.
- An audit is a good public relations tool for what it says about your organization's financial integrity.
- You may need an audit for a surety bond or a grant application.
- Granting agencies may find the information in the audited financial statements useful in evaluating an organization applying for funds.
- Lenders and suppliers may require it before credit approval.

Learn more about audits:

National Council of NonProfit Associations and Sarbanes Oxley
<http://www.ncna.org/index.cfm?fuseaction=Page.viewPage&pageId=429>

More about Sarbanes Oxley from Independent Sector
<http://www.independentsector.org/issues/accountability/checklist.html>

What is an Audit?
<http://www.compasspoint.org/askgenie/details.php?id=78>

Should We Get an Audit?
<http://www.compasspoint.org/askgenie/details.php?id=68>

What Are Internal Controls?
<http://www.compasspoint.org/askgenie/details.php?id=71>

What Are Alternatives to an Audit?
<http://www.compasspoint.org/askgenie/details.php?id=72>

