NGO Audit Preparation Guide

1. Understand the Audit Requirements

- Know the type of audit: financial, compliance, donor-specific, or performance.
- Review the auditor's engagement letter for timelines, deliverables, and scope.
- Check local regulatory requirements (SARS, NPO Directorate, donor obligations).

2. Organize Key Documents

- Trial balance, general ledger, and bank statements.
- Cashbook, fixed asset register, income statement, and balance sheet.
- Supporting docs: invoices, payroll, grant agreements, board minutes, contracts.

3. Reconcile All Accounts

- Reconcile bank, donor funds, payroll, tax (VAT, PAYE, UIF), receivables/payables.
- Clear or explain any suspense accounts.

4. Review Internal Controls

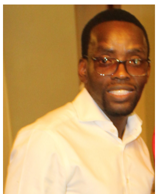
- Document and assess internal financial controls.
- Ensure segregation of duties is in place.

5. Prepare Donor Reports

- Match reports to donor stipulations and highlight restricted vs unrestricted funds.
- Reconcile donor funds with expenses and budgets.

6. Review Compliance Areas

- Ensure SARS, CIPC, and NPO Directorate submissions are up to date.
- Follow your constitution and funder agreements.



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7. Team Readiness

- Appoint an audit liaison person and ensure staff availability.
- Communicate audit timelines clearly.

8. Use a Pre-Audit Checklist

- Financial documents, reconciliations, compliance status, and backups ready.

9. Schedule an Internal Review

- Run a mini-audit or internal review before the external one.

10. Post-Audit Preparation

- Respond to the management letter and prepare an action plan.
- Share audit results with stakeholders and donors.

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