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[Nonprofit Name]

Audit Policy

1. **Policy Statement**

This Audit Policy ("Policy") sets out the process for conducting internal and external audits within [Nonprofit Name] (the "Organization") and is intended to provide a framework for maintaining the financial integrity and accountability of the Organization.

**2. Objectives**

This Policy aims to:

* Ensure the Organization's compliance with relevant laws and regulations.
* Enhance the reliability of financial reporting.
* Promote good governance and risk management.
* Prevent, detect, and address any irregularities or fraudulent activities.

**3. Internal Audit**

3.1 Frequency of Audits

Internal audits shall be conducted on an annual basis, or more frequently as deemed necessary by the Organization's management or Board of Directors.

3.2 Conduct of Audits

The internal audit process shall be performed by the Organization's internal audit team, which shall operate independently and report directly to the Board of Directors.

3.3 Reporting

The results of internal audits, along with any recommended actions or improvements, shall be reported in writing to the Board of Directors within a reasonable time after the conclusion of each audit.

**4. External Audit**

4.1 Frequency of Audits

An external audit of the Organization's financial statements shall be conducted annually, in accordance with the requirements of [relevant jurisdiction or law, e.g., the Internal Revenue Service in the United States].

4.2 Selection of External Auditors

External auditors shall be selected through a competitive bidding process conducted every [three to five years, or the period set by your organization's bylaws or local law].

4.3 Conduct of Audits

The external audit shall be conducted in accordance with generally accepted auditing standards by a firm of certified public accountants.

4.4 Reporting

The results of the external audit, along with any audit opinion issued by the external auditors, shall be presented to the Board of Directors and shared with the Organization's stakeholders as required by law.

**5. Audit Findings and Corrective Actions**

Any audit findings indicating potential irregularities, compliance issues, or other areas of concern shall be investigated promptly. Corrective actions, if necessary, shall be developed and implemented in a timely manner under the oversight of the Board of Directors.

**6. Confidentiality and Record Keeping**

All audit reports and related information shall be kept confidential and secured. Records related to audits shall be retained for a period of [x years or as required by law].

**7. Review of Policy**

This Policy shall be reviewed at least once every [three years] to ensure its effectiveness and continued relevance.

**Approved by the Board of Directors of [Nonprofit Name] on [Date].**

**Chairperson: [Name]**

**Secretary: [Name]**

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