Audit Policy

**1. Policy Statement**

This Audit Policy ("Policy") outlines the procedures for carrying out both internal and external audits at [Nonprofit Name] (the "Organization"). This framework is designed to uphold the financial responsibility and credibility of the Organization.

**2. Objectives**

The Policy is crafted with the aim to:

* Confirm the Organization's alignment with applicable laws and directives.
* Bolster the trustworthiness of financial disclosures.
* Foster exemplary governance and risk assessment practices.
* Identify, deter, and address any inconsistencies or deceptive actions.

**3. Internal Audit**

**3.1 Frequency of Audits**

The Organization shall initiate internal audits annually. If required by the management or the Board of Directors, these may be conducted more frequently.

**3.2 Conduct of Audits**

The responsibility of conducting internal audits lies with the Organization's dedicated audit division. This team functions independently and their findings are reported directly to the Board of Directors.

**3.3 Reporting**

Upon the completion of each internal audit, the outcomes, accompanied by any proposed measures or enhancements, will be documented and submitted to the Board of Directors within an appropriate timeframe.

**4. External Audit**

**4.1 Frequency of Audits**

An annual external audit of the Organization's financial records will be carried out, in compliance with stipulations set by [relevant jurisdiction or law, e.g., the Internal Revenue Service in the United States].

**4.2 Selection of External Auditors**

External auditors will be chosen through a systematic competitive evaluation, carried out every [three to five years, or the duration specified by the Organization's regulations or local governance].

**4.3 Conduct of Audits**

The external audit will adhere to universally recognized auditing standards and will be overseen by an accredited firm of certified public accountants.

**4.4 Reporting**

Upon completion, the outcomes of the external audit, paired with any audit judgment furnished by the auditing body, will be showcased to the Board of Directors and disseminated to the Organization's affiliated parties as mandated by legal provisions.

**5. Audit Findings and Corrective Actions**

Any discrepancies, non-compliance issues, or other points of concern highlighted by the audit will be promptly scrutinized. Where required, rectifying measures will be strategized and executed promptly, supervised by the Board of Directors.

**6. Confidentiality and Record Keeping**

It is imperative to maintain the confidentiality of all audit evaluations and related data. Documentation associated with audits will be safeguarded and stored for a duration of [x years or as necessitated by legislation].

**7. Review of Policy**

To ascertain its ongoing efficacy and relevance, this Policy will undergo a review at a minimum once every [three years].

This Policy received approval from the Board of Directors of [Nonprofit Name] on [Date].