

HOW DO I CHOOSE AN AUDITOR?

Regardless of size, if your nonprofit organization receives donations, you should give serious consideration to performing an audit. In doing so, you will demonstrate your fiduciary responsibility to your board and donors. For the audit, it is important to engage a firm that specializes in your type of organization. Use this questionnaire to evaluate the firm's ability.

1. Does the firm have an in-depth working knowledge of the nonprofit sector?
2. How does the firm keep up with changes in the nonprofit sector?
3. Do they understand the various tax issues and provide tax recommendations?
4. What is their ongoing involvement in the nonprofit sector, in terms of associations, firm volunteerism and support of client events?
5. What percentage of the firm's client base is represented by the nonprofit sector?
6. Are they available and responsive to questions and requests?
7. Does the firm provide other value-added services in addition to the audit, such as tax work, consultation regarding controls and specific reporting and tax issues?
8. Does the firm take a consultative approach to an audit or are they merely filling compliance requirements only to move on without discussing areas for improvement?
9. Does the firm follow-up and complete the audit in a timely fashion?
10. Is the firm's nonprofit practice a year-round focus or just a fill-in during less-busy times of the year?
11. Is their price competitive with other CPAs?
12. Did the firm receive a "clean" opinion on its latest AICPA peer review?

For further assistance, please contact Bill Sims, CPA, 972.341.9545.

