# BANDAMA CHARITY FOUNDATION SIERRA LEONE

## AUDIT POLICY

Framework for Internal and External Audit at BCF-SL

*BCF-SL | Save Lives | Empowering Communities Through Service*

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| **Document Type:** | Audit Policy — Internal and External Audit Framework |
| **Legislative Basis:** | Sierra Leone Companies Act 2009 \| NGO Policy 2009 \| International Audit Standards |
| **Owner:** | Internal Risk & Audits Director / Finance Director / Governing Board |

## 1. PURPOSE

BCF-SL's Audit Policy establishes a structured framework for conducting internal and external audits, ensuring transparency, accountability, compliance with applicable laws and donor requirements, and effective risk management across all of BCF-SL's operations. Audit is not a punitive function it is a governance tool that protects BCF-SL's integrity, safeguards donor funds, and provides the Governing Board with independent assurance on the quality of BCF-SL's financial and operational management.

## 2. TYPES OF AUDIT AT BCF-SL

| Audit Type | Purpose | Conducted By | Frequency | Reports To |
|---|---|---|---|---|
| **Internal Audit** | Review internal controls, risk management, governance processes, and compliance with BCF-SL policies | Internal Risk & Audits Department | Quarterly | CEO and Governing Board Finance & Audit Committee |
| **External Financial Audit** | Independent verification that BCF-SL's financial statements present a true and fair view | Independent licensed auditor appointed by Governing Board | Annually | Governing Board; filed with CAC |
| **Programme / Project Audit** | Verify that donor funds were used for the intended purposes in compliance with grant conditions | Donor-appointed or jointly appointed auditor | Per grant agreement (typically annually) | Donor + BCF-SL Governing Board |
| **Compliance Audit** | Assess BCF-SL's compliance with Sierra Leone laws, NGO regulations, and data protection requirements | Internal Risk & Audits Department + Legal Director | Annually | CEO + Legal & Communication Director |
| **IT / Systems Audit** | Review cybersecurity, data protection, and IT systems integrity | IT Director + Internal Audits Department | Annually | CEO + IT Director |

## 3. INTERNAL AUDIT SCOPE AND PROCESS

BCF-SL's internal audit function is conducted quarterly by the Internal Risk & Audits Department. Each internal audit covers: financial record accuracy and controls; procurement compliance; asset management; programme expenditure; HR and payroll controls; data protection; and risk register status. Findings are reported to the CEO within 5 working days of completion and to the Governing Board's Finance & Audit Committee at the next Board meeting.

Management must respond to all internal audit findings within 20 working days, specifying the action taken or planned and the responsible person. The Internal Auditor tracks the implementation of all open audit recommendations and reports progress to the Governing Board quarterly.

## 4. EXTERNAL AUDIT

BCF-SL appoints an independent, qualified, and registered external auditor by competitive selection at minimum every three years. The external auditor reports directly to the Governing Board not to BCF-SL management. The Governing Board reviews the audited financial statements and the management letter at its first meeting following completion of the audit, and takes formal action on all material findings.

- Audited financial statements are presented to the Governing Board within 4 months of the financial year end.
- A summary of audit findings and management responses is included in BCF-SL's Annual Report.
- BCF-SL files all required financial statements and audit reports with the Corporate Affairs Commission and relevant government bodies.

**Internal Risk & Audits Director**

*Signature & Date*

**Finance Director**

*Signature & Date*

**Executive Director**

*Signature & Date*

**Chairperson, Governing Board**

*Signature & Date*