Non-Profit Financial Reporting and External Audit Readiness: Fund Accounting to Annual Filing

22 – 26 February 2027
Paris - Right Bank business hotel

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Ref: 1121_5630 **Date:** 22 – 26 February 2027 **Location:** Paris - Right Bank business hotel **Fees:** 23500 SAR

Technical depth: Practitioner · **Practical mode:** Modelling build

Introduction

Non-profit finance teams face an annual deadline that combines three tests: accounts that respect donor restrictions, an external audit that ends without a modified opinion, and statements filed on time with the supervising authority. Weak fund accounting, unsupported grant spending and last-minute reconciliations put all three at risk. This Core Concept course equips finance staff to prepare fund-based financial statements under the International Non-Profit Accounting Standard and to organise the year-end for audit. Participants build a working model and leave with an Annual Financial Statements and Audit Readiness Pack.

Course Objectives

- Classify income, expenses and net assets by restricted, unrestricted and endowment fund using a unified chart of accounts
- Apply INPAS recognition rules to grants, donations and in-kind contributions, with reference to other sector frameworks
- Prepare fund-based annual financial statements, including a statement of functional expenses, a cash flow statement and notes
- Assemble an audit-ready file of prepared-by-client schedules and reconciliations that answers auditors' requests first time
- Respond to audit findings, fraud-risk enquiries, management letters and modified opinions in line with the ISAs
- Produce an Annual Financial Statements and Audit Readiness Pack ready for board approval and filing

Target Audience

- Finance managers and accountants in associations, foundations and charities
- Finance officers responsible for grant and donation accounting
- Treasurers and finance committee members who review the annual accounts
- Internal auditors and compliance officers preparing the organisation for external audit
- Grant finance officers in foundations and endowments who review grantee financial reports

Course Outline

Day 1: Non-Profit Financial Reporting Foundations

- Non-Profit Reporting Frameworks Compared: INPAS, IFRS for SMEs and Sector SORPs
- Users of Non-Profit Financial Statements and Their Information Needs
- Unified Chart of Accounts Structure for Associations and Foundations
- Restricted, Unrestricted and Endowment Fund Classification
- Year-End Close Readiness Review Using a Closing Checklist

Day 2: Accounting Standards for Non-Profit Transactions

- INPAS Grant and Donation Income Recognition: Conditions and Restrictions
- In-Kind Donations, Donated Services and Volunteer Time Measurement
- Statement of Financial Position and Statement of Financial Performance by Fund
- Statement of Functional Expenses: Programme, Fundraising and Administration Allocation
- Comparative Presentation under Charities SORP FRS 102 2026 and FASB ASC 958

Day 3: Preparing the Annual Financial Statements

- Fund-Based Trial Balance Mapping to Financial Statement Lines
- Cash Flow Statement Preparation Using the Indirect Method
- Notes to the Accounts: Fund Movements, Related Parties and Commitments
- Board Annual Report on Activities, Results and Reserves Policy
- Grant and Donor Reconciliation Schedules

Day 4: External Audit Readiness, Risk and Problem Cases

- Prepared-by-Client Schedule and Audit File Index
- Common Non-Profit Audit Findings: Commingled Funds, Unsupported Expenses and Cut-Off Errors
- ISA 240 Revised Fraud Risk Indicators in Donations and Cash Collection
- Written Representations under ISA 580 and Communication with Those Charged with Governance under ISA 260 Revised
- Modified Opinions under ISA 705 Revised and Management Letter Responses under ISA 265

Day 5: Modelling Build and the Annual Filing Pack

- Model Build: Fund-Based Financial Statements from a Sample Trial Balance
- Model Build: Functional Expense Allocation Workbook
- Going Concern and Reserves Assessment with Reference to ISA 570 Revised 2024
- Annual Filing Checklist: Audited Statements, Board Approval and Submission Evidence
- Annual Financial Statements and Audit Readiness Pack Review

Skills You Will Gain

- Fund Accounting
- Grant Income Recognition
- Functional Expense Allocation
- Non-Profit Financial Statement Preparation
- Audit Evidence Preparation
- Financial Close Management
- Audit Finding Remediation
- Reserves Analysis

Why Attend This Course

- Leave with an Annual Financial Statements and Audit Readiness Pack built on a working, fund-based model
- Shorten the audit cycle by anticipating what auditors will request and why
- Explain restricted fund balances and functional expense ratios to boards and donors in plain terms
- Compare reporting and audit practice with finance professionals from non-profits in other countries

Conclusion

Donors, boards and supervisors judge a non-profit's credibility first by its annual accounts and its audit report. This course moves from fund classification and the recognition rules for grants and donations, through the preparation of fund-based statements and notes, to the audit findings, fraud risks and opinions that most often cause difficulty. The final day brings these together in a working model and an Annual Financial Statements and Audit Readiness Pack that participants can use at their next year-end.