MK AUDIT

10 questions to ask an auditor before a grant audit contract

What to ask in writing and what to look for in the answer

Donors usually leave the choice of auditor to the organisation and only approve the candidate. Put these questions to every firm that sent you a proposal and keep the answers in writing: you will need them to justify your choice to the donor.

	Question	What to look for in the answer
1	**Under what number is the firm entered in the Register of Auditors and Audit Entities?**	The entry can be checked on the website of the Audit Public Oversight Body of Ukraine by name or number. Donors often ask for the number in the proposal or in the report.
2	**How many donor-funded projects has the firm audited in the last three years, and for which donors?**	Experience with your type of donor matters: cost eligibility rules, procurement, indirect costs, currency conversion.
3	**Do you draft the English report yourselves or through a translator?**	Ask for a sample English report with client data removed. A translation of a finished Ukrainian report often carries inaccurate terminology.
4	**Under which standard will the engagement be performed, and does that match our ToR?**	ISA 800 or ISA 805 for an audit, ISRS 4400 for agreed-upon procedures. The engagement type is set by the donor in the terms of reference.
5	**Who will lead the engagement and what are their qualifications?**	Who will actually do the work and what experience they have with donor-funded projects.
6	**What is the turnaround time from receipt of documents to signing the report?**	Compare it with the donor's reporting deadline and leave a margin for auditor queries and additional documents.
7	**Does the proposal include a management letter with recommendations?**	Donors often ask for a management letter. Check whether it is within the scope and the fee.
8	**Is the firm a member of an international network, and which one?**	Some donors require it, for others it is an advantage.
9	**Do you have any conflict of interest with our organisation, its management or the donor?**	A firm that keeps your books cannot audit the same project: that breaches independence requirements.
10	**How do you interact with the donor: do you send the report directly or through the organisation?**	The procedure depends on the donor's ToR. Agree on it before the work starts.

> When to look for an auditor: ideally when the grant agreement is signed, or no later than two to three months before the project ends. If the fee exceeds the donor's procurement threshold, at least three proposals are usually required.

This list is generic and does not replace your donor's requirements. The engagement type and report format are set by the donor.

MK Audit: audit firm, Register of Auditors No. 4624, member of DFK International. The group has worked since 2000.
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