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**The State of Israel**  
**Ministry of the Interior**  
**Registrar of Non-Profit Organizations**

Instructions for Auditors of Non-Profit Organizations

September 7, 1999

**Function of the Auditor:**

The task of the auditor is to verify the fitting nature of activities run by non-profit organizations and the suitability of persons running such organizations. These issues should be decided in accordance with the following principles:

- Activities do not infringe upon existing laws, particularly the Law of Non-Profit Organizations.
- Proper management, fiscal responsibility, fairness and honesty.
- Activities must be directed towards realizing the goals of the organization.

The auditor will submit a report at least once a year but preferably once a quarter. The report should be written accurately and clearly and should be divided into three sections:

Section I - General information on the organization and its sphere of activities and how it works to achieve its goals.

Section II - Description and analysis of the organization's current state of affairs and a presentation of conclusions.

In this section, results of the audit are presented according to the following topics:

1. Salary levels of employees, in particular those holding management positions.
2. Decision-making process and implementation.
3. Issuing of contracts and tenders and their implementation.
4. Management of the organization's assets.
5. Bookkeeping.
6. Management of funds.
7. Financial obligations and liens.
8. Economic situation of the organization and use of its financial resources.
9. Correction of defects revealed in the past.
10. Additional topics related to the organization's activities.

Part III - 1. Summary of the findings and recommendations and a report on whether defects revealed in previous reports were corrected.

2. Recommendation for a General Assembly meeting to approve the financial report and specification of conditions for approval.

The auditor's report and financial reports are to be discussed at the General Assembly meeting and submitted to the Registrar's office.

Yours sincerely,

Amiram Bogot, adv.  
Registrar of Non-Profit Organizations