PREPARING FOR AN AUDIT

Its not just a year end thing!

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Start with last year's audit:

► Make sure your general ledger ties to the final trial balance and/or financial statements issued

► Have an debrief meeting with your staff

► Have an exit conference with your auditors

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The audit should be treated as a project:

► It needs a project manager
  ● Point person for communication internally and externally
  ● Responsible for the coordinated effort of meeting the deadline
  ● Quality control of information provided to the auditors

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Planning Meetings are Critical Communication

Internal
- ► Who should attend?
- ► Identify each person's role and responsibilities
- ► Changes from PY
- ► Establish a timeline
- ► Resource allocation
- ► Unusual transactions/activity

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Planning Meetings are Critical Communication

External
- ► Include key personnel
- ► Look back to PY audit
- ► New standards/guidance
- ► Changes in the organization
- ► Unusual transactions
- ► Changes to your financial system
- ► Challenges in the CY
- ► Communication strategy
- ► Agree on a timeline

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What about those PBC lists?

- ► Review the list

- ► Ask questions/clarify/understand

- ► Assign responsibility for each item

- ► Provide the info as it is ready! Why wait!

- ► Make sure what you provide is complete, accurate and ties back to the general ledger

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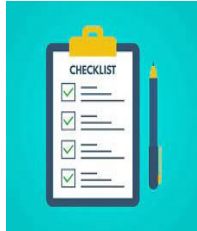**Use a Closing schedule/checklist**

► Detailed

► Due dates that correlate to the audit timeline and PBC list

► Allow wiggle room and time for setbacks

► Reset/Adjust as needed

► Share it with your auditors

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Status Updates/Checkins

► Both Internal and External

► Use an agenda

► Productive not repetitive

► Frequency

► Forecast if still on track/make adjustments

► Do what you say your going to do before the next meeting

► Be realistic!

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Preparing for Single Audit

► Preliminary schedule

► Communicate grant changes

► Record keeping

► Review compliance supplement

► Don't rely on subcontractor

► Finance/Accounting should be involved

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Miscellaneous

► Does it tie?

► Capital assets – don't forget to add your capital projects activity

► Debt - provide journal entries when posted for review

► Review your footnotes for additional information/numbers or general changes

► Communicate throughout the year

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Questions

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