

Preparing for Audits and Other Attest Services

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Attest Services

Independent review of financial statements

- Audit
- Review
- Compilation

How can you prepare?

- Think “year-round” not “year-end”
- Communication
- Documentation
- Review previous engagements
- Be aware of updated accounting standards

Year-Round Preparation

- Review internal financial statements monthly
 - Income statement and balance sheet
- Reconcile to third party statements monthly
 - Bank statements
 - Loan statements
- Review of accounting policies and internal controls

Communication

- Communicate with auditor
 - Timing of the engagement
 - Update of new developments
 - Engagement request list
- Ask questions
 - Throughout the year
 - Understand the process
- Be available throughout audit

Documentation

- Know where to find information
 - Transactions
 - Journal entries
- Establish an estimate methodology and document
- Supporting workpapers agree to the general ledger

Review Previous Engagements

- Learn from problem areas
- Share corrective steps
- Don't make the same mistake twice

Be Aware of Accounting Updates

- Basis of Accounting
 - Generally Accepted Accounting Principles (GAAP)
 - Financial reporting framework for small/medium size entities
 - Income tax basis
 - Cash or modified cash basis
- Updates
 - Who's affected?
 - When?
 - What do I need to do?

Questions?

