

## Tips For Your Year-End Audit

With the year-end fast approaching, we are gearing up for the audit season ahead of us. While every organization has a unique set of processes and challenges each season, we always strive to share best practices for preparing for the year-end audit.

Here is what we recommend that you be mindful of (and proactive on) throughout the audit process:

### 1) Working with Your CPA Firm

- Develop an **open and collaborative** relationship with your CPA firm.
- Discuss unusually complex transactions with your CPA firm when they become known, but **prior to the commencement of the audit**. This may help to avoid material adjustments during the audit that could result in an internal control finding or delays in issuing draft and final financial statements.
- Request a planning meeting with your audit team as soon as possible, either before or after your organization's year-end, to communicate significant transactions and timelines of the audit and financial statements. Our recommendation is having a meeting **at least two months prior to the organization's year-end**.
- Meet with your CPA firm to discuss relevant accounting changes and pronouncements to anticipate how this might impact your organization.

### 2) Before the Audit Begins

- Review the audit schedules requested by the CPA firm and incorporate them as part of your internal control to ensure that account balances on the trial balance are accurate, complete, and supported by the audit schedules.

- Review last year's internal control report, management letter comments and audit adjustments to improve your current year financial reporting.
- Select an individual in senior management who possesses suitable skills, knowledge, or experience to oversee the audit process, and to serve as the point of contact for the audit firm.

### 3) During the Audit

- Consider providing your CPA firm with limited access to your online accounting system and document management storage platform to streamline the audit process.
- Maximize the efficiency of audit fieldwork by coordinating the process of transmitting documents in advance.
- Always set-aside time to discuss complex issues and concerns as they arise.
- Be well prepared to respond to audit requests and inquiries timely to maximize efficiency and control audit costs. Develop a system to track audit requests and responses through various communication methods such as emails, phone, and in person discussion.
- Establish a clear process for your internal review and approval of the draft financial statements.

### 4) After the Audit Is Complete

- Set up a meeting **approximately one month after the audit has been issued** to discuss the audit experience, and to provide feedback and recommendations to the CPA firm for future improvements.



If you have any questions or would like to discuss how you can improve your current year-end audit process, please feel free to contact **Joe Li**, Audit Manager, at [jli@lvhj.com](mailto:jli@lvhj.com) or 415-905-5407.

[Click here to read more about Joe Li.](#)

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