

TIPS TO GET READY FOR YOUR AUDIT!

The Financial statements of the majority of associations must be audited every financial year to ensure that their books and records are being kept in accordance with all relevant legislation AND ALSO to ensure that the accounts are complete and represent a true and fair view of the financial position of the association.

REMEMBER: Audited financial statements must be presented at your Annual General Meeting. If there is no audit report there can be no AGM.

The following is a list of things to do before you give your accounts to the auditor that will help ensure your audit goes quickly and smoothly:

- Have a complete set of bank statements for all your bank accounts, investments, loans and credit cards for the entire financial year. Your auditor should provide you with a Bank Confirmation which you will sign and forward directly to the bank. This allows the auditor to get a third party confirmation of the amounts recorded as cash at bank in your financial statements;
- Have completed reconciliations for each of these bank accounts as at the last day of your financial year;
- Ensure that all transactions have been entered into your accounting records for your financial year;
- Prepare a detailed list of Debtors (money owing to you from customers) and Creditors (money you owe suppliers) as at the last day of your financial year. Review your list of Debtors and decide if any of them are unlikely to be collected. If so then discuss with your auditor the need to make a doubtful debt provision against these amounts;
- Collect all cheque books, receipt books and bank deposits books used during the year;
- Collect all invoices paid, cash count sheets, grant documentation and any other paperwork relating to income or expenses;
- Collect all your payroll records including timesheets;
- Update the Fixed Asset Register for any assets purchased during the year that belong to the organisation and calculate the depreciation on them for the year;
- Perform a stock take on any inventories held and keep a record of any adjustments that were required. Tuckshop inventory should be checked to ensure that all food is still in date and uniforms and books should be reviewed to ensure they are not old versions that can no longer be sold;
- Calculate annual leave and long service leave entitlements for your staff as at the last day of your financial year; and
- Ensure you have a complete set of minutes (signed) for the financial year for Executive and General Meetings.

A good auditor will not only ensure that your financial statements are correct but will also review the accounting systems you have in place to identify potential weaknesses as well as opportunities to enhance them.

The auditor should also be speaking to at least one member of the committee as well as any administration or bookkeeping staff about the activities and results of the association during the year. This is a very important part of the audit process to mitigate the risk of fraud.

CMSolutions can undertake an End of Financial Year, Interim, and Accounting and Financial Compliance Audits, depending on your needs. We pride ourselves on the quality of our work we do and believe that you get real value for money and so do the members who come back year after year.

Call our finance team on 07 3852 5177 for a quote today.