

Audit Preparation Checklist:

- Make sure opening retained earnings agree to last year's audit (i.e., all the audit adjustments were made).

- Reconcile all bank accounts including loans. Review outstanding cheque and deposit list for old amounts, adjust if necessary. Provide copies of year-end bank reconciliations along with bank statements to the auditors. Provide copies of current line of credit and bank loan agreements to the auditors.

- Reconcile all credit cards. Review outstanding transactions and adjust if necessary. Provide copies of year-end credit card reconciliations along with credit card statements to the auditors.

- Review aged accounts receivable listing to make sure all amounts are correct and collectible, adjust if necessary. Make sure aged AR total agrees to GL. Review deposits after the year-end – do any of them belong to last year and should be recorded as accounts receivable? Provide a copy of aged accounts receivable listing to the auditors.

- Review employee advances to make sure all amounts are correct, adjust if necessary. Provide a list of outstanding employee advances at year-end (total agrees to GL) to the auditors.

- Prepaid expenses – provide copies of insurance invoices and policies to the auditors.

- Review aged accounts payable listing to make sure all amounts are correct and collectible, adjust if necessary. Review bills received after the year-end, do any of them belong to last year? If yes, record additional accounts payable. Provide aged accounts payable listing to the auditors.

Audit Preparation Checklist Continued:

- Reconcile all intercompany and inter departmental due to/from (advances) accounts. Provide copies of reconciliations to the auditors.
- Payroll accrual – provide last payroll report for the year and first report for the next year to the auditors.
- Review repairs and maintenance expenses – are there bigger items that can be moved to assets?
- Review transactions in capital assets GL accounts – move smaller items to repairs and maintenance expenses. Provide copies of invoices for all capital asset purchases during the year to the auditors.
- Agree revenue to funding agreements/revenue confirmation reports. Was all revenue recorded? Is there additional funding that belongs to the period and needs to be recorded? Provide copies of funding agreements and confirmation reports to the auditors.
- Review income statement vs budgets and last year – do the actual amounts make sense? Can we explain the differences from budget/last year? Investigate further and adjust if necessary.
- Review transactions in the detailed revenue and expenses GL, were all transactions posted to correct accounts? Reallocate if necessary.
- Review transactions in “miscellaneous”, “ask my accountant” and other questionable accounts, reallocate if necessary.
- Review income statement by class report to make sure class allocations are proper, reallocate if necessary.

Audit Preparation Checklist Continued:

- Professional (legal) fees account – provide copies of all invoices to the auditors.

- Provide the following reports to the auditors (most prefer electronic format):
 - o Trial balance
 - o Balance sheet
 - o Income statement – total and by class
 - o Detailed general ledger (GL)
 - o Copies of budgets and budget vs actual reports.

- Provide copies of BOD minutes from the start of the year to the date of the audit work to the auditors.

- Provide copies of all bank and credit card statements after the year-end until the date of the audit work to the auditors.

- Provide copies of all lease agreements (office, photocopiers, equipment) to the auditors.