

Auditors Adjustments



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Audit Adjustments

- Auditors take a copy of our records and input the trial balance in the audit and financial statements software (most auditors use Caseware).
- Auditors' adjustments to our trial balance are referred to as adjusting journal entries or audit adjustments.
- To make sure our records agree to the audit we need to post the audit adjustments in our system and lock the year-end so no more changes can be made to the audited year.
- It's a good practice to lock the records for editing as soon as we send them to the auditors.
- Fewer audit adjustments means higher quality records and lower audit cost.
- Example of Caseware trial balance and adjusting entries



Audit Adjustments and Year-End Preparation

- Making sure last year's records agree to the audit is the starting point for a year-end preparation.
- Use last year's trial balance for checking if the records agree to the audit.
- Quick check technique: compare last year's retained earnings and net income in our records to the auditors' trial balance. If they agree, our last year's numbers are good.
- If last year's retained earnings and income don't agree to the audit, our last year's records are incorrect and need to be adjusted.



Audit Adjustments and Year-End Continued

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Practical Application for First Nations Finance

Thank you for your time



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