



## 3 Tips for a Successful Financial Statement Audit

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It is that time of year again, and if you are not already deep in financial statement audit requests, you will be soon. As you get ready, it is always good practice to evaluate how to improve the audit process as well as your overall experience and that of your staff. We have found the following three tips to be key to a successful financial statement audit each year.

### **Have a proactive, detailed client request list and timeline.**

It goes without saying that an active, working client request list and timeline leads to a more effective and efficient audit. However, too often these tools are not fully utilized to proactively manage the audit over the course of the entire engagement. The test to determine if these tools are underutilized can be summed up in one simple question: At any point during the engagement, are you ever left wondering about the current status of the audit? When used correctly, these tools create active and ongoing communication and create a way to hold each party accountable to completing every task at the time established. This gives both you and your auditor peace of mind that deliverables and deadlines will be met.

### **Look for low audit team turnover.**

How often do your auditors show up and introduce you to a new audit team? You wind up repeating efforts each year when you have to respond to questions posed by new team members that you answered in previous years. This also leads to higher fees due to inefficiencies caused by new team members having to get up to speed on your systems and processes. The solution? Find a firm that invests in their employees individually and in their careers. Look for a firm that works hard to develop a culture encouraging employees to see the possibilities of a career there, rather than a launching pad for the next opportunity. These firms do exist! (We know because we are one of the few.) When sending out your next RFP, ask each prospective firm about their turnover rate and what they do to limit turnover of engagement team members. We think you will be surprised to find how firms that do invest in their employees will be noticeably different.

### **Ask for ideas that lead to continual improvement.**

Does your auditor create an environment for you to give honest feedback, and bring creative ideas to help resolve any pain points that may have been encountered during the engagement? Do they even ask if you had any pain points or if there is anything they can do better? All too often the engagement ends with the auditors getting pulled to the next project and the project gets put in the rearview mirror only to end up having the same mistakes and pain points again next year. Don't just settle for delivery of your audit report by the due date; require your auditor to share ideas on how to be more efficient, improve communications, better utilize tools and technology, and hold them accountable to it the following year.

While these three tips aren't intended to be an all-inclusive list, it will likely help make your audit engagement smoother for you and your auditor as well as make the process more efficient. To find out how we can help you with your audit, contact [our audit and assurance team](#).