



# Auditor of State Keith Faber

## What can I do to keep audit costs low?

Being prepared for an audit saves time and money. Here are suggestions that can help.



### Ensure Complete, Easily Available Records

The most important step to a good audit is complete, readily accessible records.

Complete records include:

- Meeting minutes
- Approved budgets
- Contracts
- Notes receivable and payable
- Material leases
- Insurance policies

Day-to-day operations must also be recorded:

- Canceled Checks
- Monthly bank reconciliations
- Receipt books and deposit slips
- Authorized signatories
- Payroll and non-payroll expenditures

### Comply with Single Audit Requirements

Inadequate or missing Schedules of Federal Expenditures are the most common single audit failures. It is important to understand grant agreements and pay close attention to cost principles. More options to ensure complete federal reporting include specialized internal controls, working with grantor agencies, and peer and specialized consulting.

### Make Key Personnel Available

Only you know the specifics of your operations. Key personnel should be available to respond to auditor inquiries. If necessary, special arrangements can be made to have audit staff perform some work when knowledgeable employees are available.

### Be Aware of Special Circumstances

Unique operations demand special training and knowledge of any applicable compliance and accounting requirements. The entity and its officials are the best judges of special risk. Management is responsible for understanding the nature of operations.

STAY AHEAD of routine responsibilities to avoid hassle and added costs.



The most important step to a cost-effective audit is maintaining complete, accessible records.

BE AVAILABLE to respond to auditor inquiries.



### Improve Internal Controls

Proper internal controls over assets, transactions and records are key tenets of good accounting. Examples are timely bank reconciliations and time sheets that reflect the activities of the employee and the entity.

### Keep Up Reconciliations

Unreconciled account balances are another big obstacle to an affordable audit. A prompt, routine reconciliation of accounts with adequate documentation can prevent additional work.