

GELMAN, ROSENBERG & FREEDMAN

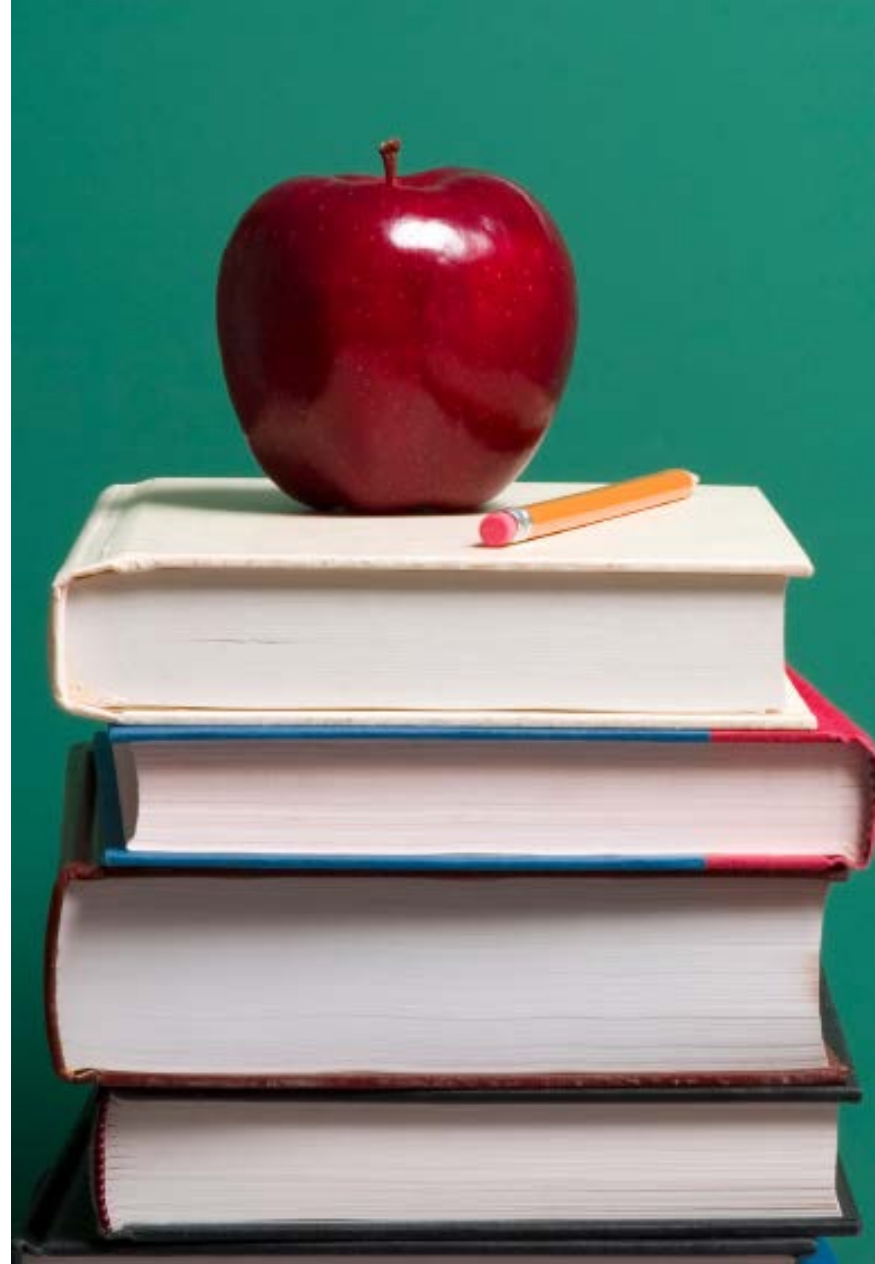
CERTIFIED PUBLIC ACCOUNTANTS



Preparing for Your Annual Audit

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Agenda

- How to survive your audit
- Auditor responsibilities vs auditee responsibilities
- Accountability
- What do auditors look for
- Things to consider
- Audit developments



How to survive your audit?

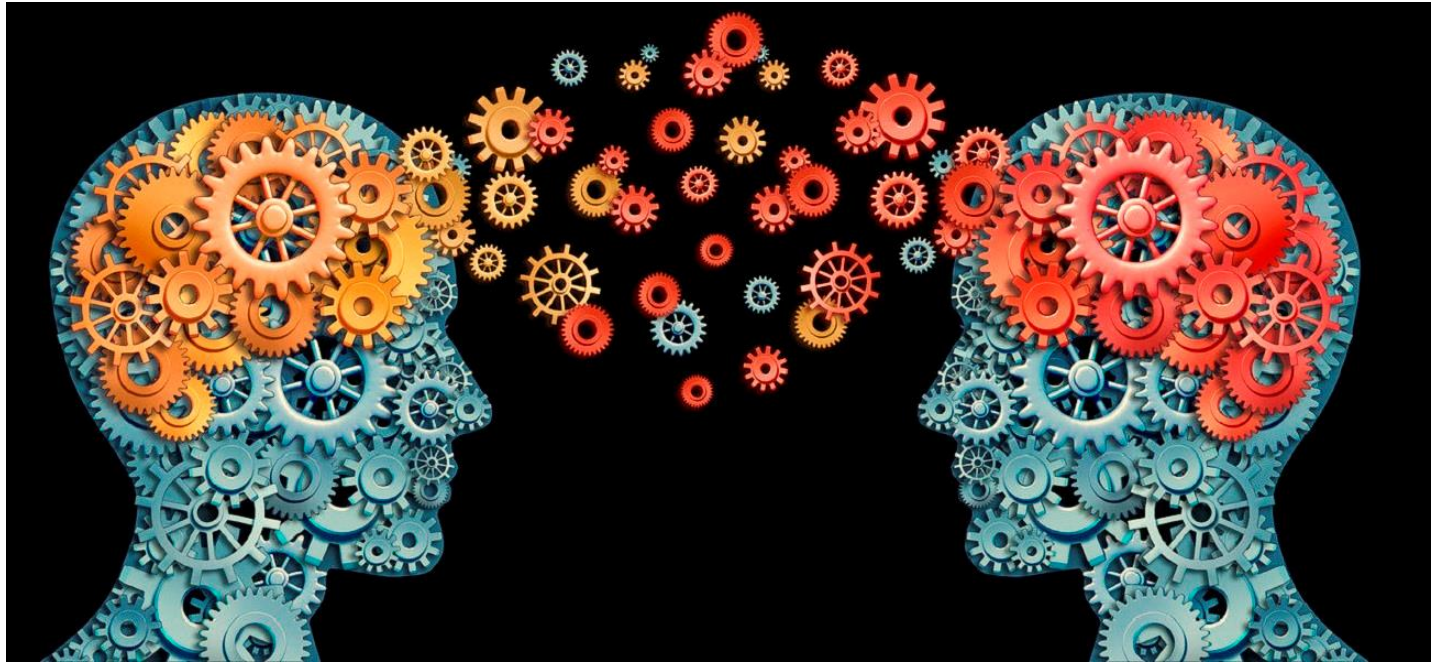


Organization is key

- Advance preparation
- Pull, scan, or copy information requested by the auditor
- Maintain a list (or backup copy) of information provided
- Make sure supporting documentation is complete and accurate



Have a clear understanding of: Your auditor's responsibilities Your responsibilities



Auditor's Responsibilities

- Gather information about your organization to provide reasonable (not absolute) assurance that your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.
- Examine on a TEST basis evidence supporting the amounts and disclosures in the financial statements.
- Evaluate the appropriateness of accounting polices used and reasonableness of significant estimates.



Auditor's Responsibilities

- Not to perform bookkeeping functions





Auditor's Responsibilities

Not to catch fraud, waste, abuse, etc.





Your Responsibilities (Management)

- Establishing and maintaining internal controls
- Selection and application of accounting principles
- Establishing an accounting and financial reporting process
- Ensuring fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles
- Management decisions



Your Responsibilities (Those Charged with Governance)

- Designate individuals with suitable skill, knowledge or experience to oversee both the programmatic, financial and tax needs of the organization.
- Establish and maintain internal controls
- Monitor financial and programmatic performance (financial reporting)





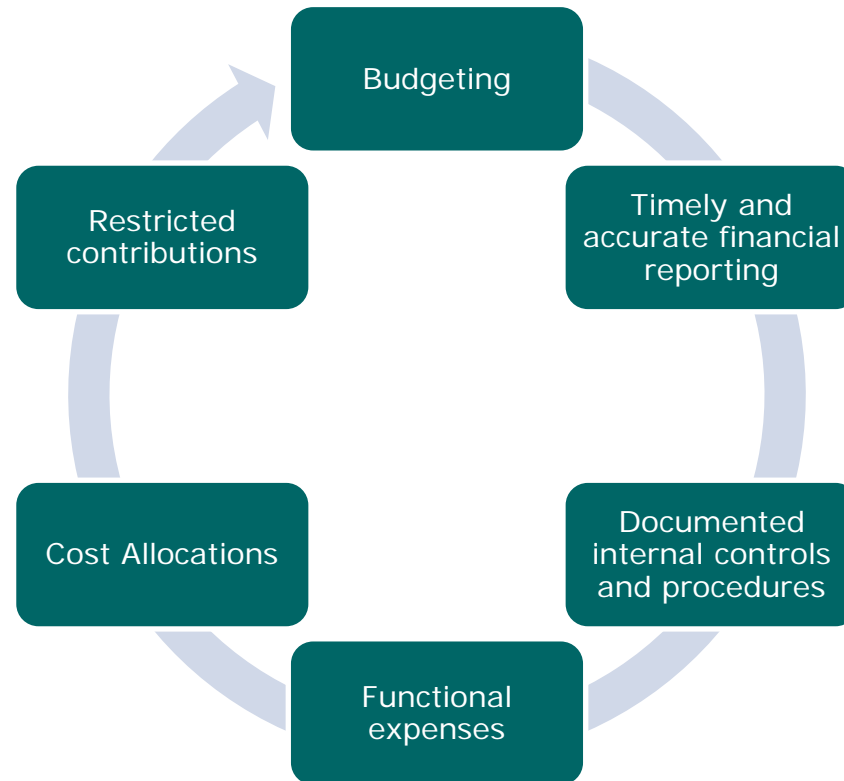
Accountability

“The state of being accountable, subject to the obligation to report, explain or justify something; responsible; answerable”

Webster's Dictionary



Ingredients of ACCOUNTABILITY





What do auditors look for?

Why won't they just leave us alone?

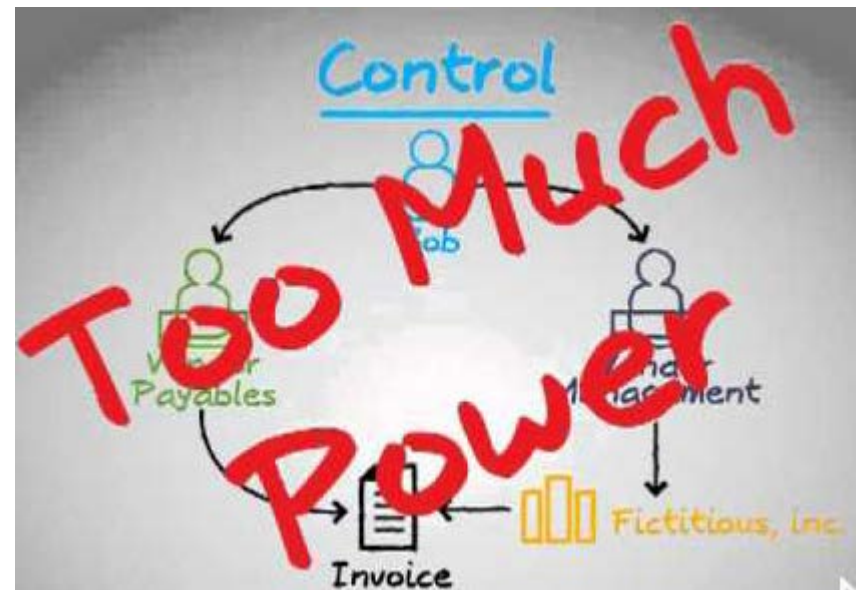




Things to Consider

Segregation of duties

- Small organization with limited resources
- Mitigating circumstances (checks and balances)



Things to Consider

Adequate resources

- Inexperienced/unqualified staff
- Accounting and industry training programs and seminars

Audit Developments

- December 26, 2013 - OMB issued Uniform Guidance for Federal Awards
- Supersedes and streamlines requirements from eight different circulars into one document
- OMB Circulars A-110, A-122 and A-133
- Effective for fiscal years beginning on or after December 26, 2014

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Questions & Answers



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