

PREPARING FOR AN AUDIT

HELPING YOU THRIVE IN A CHANGING WORLD

www.mooremarkhams.nz



ALL YOU NEED TO KNOW ABOUT AN AUDIT

Our aim is for our clients to look forward to audit time. We've prepared this guide to ensure a smooth and stress free audit. You'll find out how to prepare for your audit, what to expect and what goes on during an audit.

ARE YOUR FINANCIAL STATEMENTS FINALISED?

Here's some things to check off in order to ensure that your financial statements are ready for audit:

- check that all accruals, debtors and creditors are included
- ensure that a stock-take was done at balance date, and that appropriate adjustments have been made
- read through the draft financial statements and make sure they comply with the relevant financial reporting framework
- compare the current and past year's figures to make sure everything looks right – we may ask for explanations on any unusual or material variations
- have your governing body undertake a fraud risk assessment to consider the risk of fraud to your financial statements – we'll ask for this during the audit
- obtain your governing body's approval to release the draft financial statements to us for our audit.

LET'S GET STARTED

Firstly, contact us to discuss the arrangements for the audit. We'll ensure that there is an engagement letter in place, and we'll confirm our independence. We will agree on:

- the audit scope – the financial reporting framework, balance date, and confirm our compliance with International Standards on Auditing (NZ)
- the timetable - ensuring that we have sufficient time to go through the audit process
- where we'll undertake the audit – this can be at your office or at ours
- fee estimates – a sensible and realistic price to undertake the audit
- the audit team – who the engagement partner is and the team members
- any other information relevant to the audit.

GET YOUR RECORDS SORTED

To enable us to provide an efficient and timely audit, we require that certain audit information is ready for us at the start of our audit. We will provide you with an audit preparation checklist to assist you to collate documents and other information that we require.

WHAT YOU CAN EXPECT

We'll undertake the audit in accordance with the International Standards on Auditing (NZ) and ethical and professional requirements. Our audit will be undertaken in accordance with the Moore Global audit methodology, which requires us to undertake various procedures and tests. Every audit is different so our audit programme is tailored to your organisation.

We may interview (either in person or via email) your staff or governing body to ask them questions about their knowledge of your organisation's financial policies and transactions. We may also request further documentation from your staff, or confirmations from external parties. Any issues or adjustments we find will be brought to your attention and discussed in a timely manner. The audit report will follow after the audit has been completed.

OUR AUDIT PROCESS

To help you understand the Moore Global Audit process, we've provided a brief summary of our audit process. Please don't hesitate to contact our audit team if you have any questions during the audit.



APPOINTMENT

You appoint us as auditors at the AGM or at a meeting of the governing body.

AUDIT ENGAGEMENT LETTER

Issued to agree to terms of engagement – the objective and scope of the audit. This letter is usually issued about every three years. If there are significant changes to the terms of your audit, a new letter will be issued.

PLANNING

At this stage we'll confirm timetable, staffing, fees and information requirements. We then obtain knowledge of your organisation and plan audit tests. This includes a detailed risk assessment and an appraisal of the systems and controls put in place to mitigate those risks.

AUDIT

We carry out the audit of your organisation. This may include a site visit, and meetings with those involved in the accounting process.

EXIT DISCUSSION

We will meet or correspond about issues or adjustments to be made.

MANAGEMENT LETTER OF REPRESENTATION

We will request from your governing body representations on material matters relating to the audit.

INDEPENDENT AUDITOR'S REPORT

We will issue our opinion on your financial statements.


AUDIT MANAGEMENT REPORT

Issued at the end of the audit, we will write to you detailing our findings and any recommendations for potential improvements.

WHAT YOU'LL RECEIVE

We consider that you will receive value from our services from the following:

- discussions at the commencement of the assurance engagement to facilitate an efficient, effective and timely audit
- our focus on evaluating the effectiveness of your systems of internal control, and reporting practical recommendations that will strengthen controls where deficiencies are identified
- a meaningful audit carried out by a credible and reputable assurance firm
- a realistic and sensible fee
- an assurance team that is friendly, professional and approachable. We place significant emphasis on the continuing education of our professional staff who regularly attend training sessions and seminars
- Regular newsletters and updates to share topical information affecting the business and the auditing world
- Most importantly, an Independent Auditor's Report that you can be proud to attach to your financial statements, knowing that it has been prepared after a comprehensive and professional audit process.



A meaningful audit carried out by a credible and reputable assurance firm

MOORE MARKHAMS - INDEPENDENT LOCAL FOCUS

We are one of the few remaining audit practices trading as a national network of independent firms rather than being a national firm. This gives us the great advantage of ensuring we maintain a local focus on clients, while still maintaining access to national resources.

We provide audits and reviews and a variety of other assurance services. Contact your local Moore Markhams Audit office to discuss your requirements.



OUR SERVICES INCLUDE:

- financial statement audits
- financial statement review engagements
- due diligence assignments
- financial reporting and disclosure services
- special purpose audits
- agreed-upon procedures
- internal control reviews
- real estate trust account audits
- AML / CFT audits
- fraud investigations
- other special purpose engagements.

Due to independence requirements, our audit team doesn't provide financial statement preparation services, but we can point you in the right direction.

Get in touch to learn how we can help you thrive in a changing world

WITH OFFICES IN

AUCKLAND CHRISTCHURCH DUNEDIN HAWKE'S BAY
QUEENSTOWN WAVERLEY WELLINGTON WHANGANUI



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