



# How to Make Your Annual Audit Easier

***FGFOA Annual Conference***

June 16, 2026

# Course objectives



Understand the various types of audits and the objectives of each



Implement a plan to encourage audit success and avoid common pitfalls



Implement a plan to encourage continuous, post-audit improvement

# External Audits



# General Question

Have you ever dealt directly with the external auditors?

- A. Yes
- B. No

# Discussion Question

Can you share a strategy or practice that you found particularly effective in making your annual audit easier?

# Discussion Question

What are some common pitfalls you've encountered during audits, and how did you or your team overcome them?

# Discussion Question

How do you manage expectations from stakeholders (i.e. commissions, audit committee, bondholders, regulators) during the audit process? What strategies have worked for you?

# Discussion Question

How has your organization used audit findings to drive continuous improvement? Can you share a specific example?

# Discussion Question

Looking ahead, what trends or changes do you anticipate will impact the audit process in your industry? How can we prepare for these changes?

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# External Audits: Overview

# What is an External Audit?

## WHO?

- External Auditors are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes those opinions

## WHAT?

- Financial Statement Audits performed under Generally Accepted Auditing Standards (GAAS)
- Financial Statement Audits performed under Government Auditing Standards (GAS) as well as GAAS
- Compliance audits required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- Attestation engagements performed as required by federal, state, or local laws and regulations.

## WHY?

- Statutorily required via Florida Statutes 218.39 local governmental entities are required to have an **annual financial audit**.
- Demonstrates financial efficacy, soundness, and compliance
- Provide reliable outcome data to stakeholders.

# Audit Goals

**Auditor:** To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes those opinions.

**Management:** To prepare and fairly present the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

# External Audits: Preparing for an Audit

# Benefits of Good Audit Preparation

Less Stress



Timely Reports



Lower the Cost



# What did we learn from last year?

Before the audit, you should:



Review last year's audit

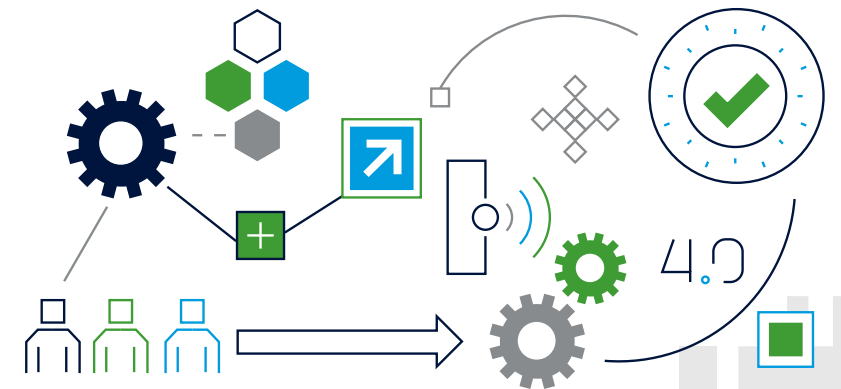
Revisit and learn from last year's audit process

Review oral and written communications

Review audit adjustments and passed adjustments

# PBC (Provided By Client) List

- The auditor should provide a detailed audit preparation list with deadlines but be proactive!
  - Upload PBC items once internal reviews have been completed.
- Gather all organizational documents and contractual agreements
- Document (Update) your key financial statement processes and policies
  - This should also include IT systems that support financial reporting
- Review accounting records to ensure reconciliations are available
- Auditor should provide a secure portal for sharing electronic documents
- Ensure transactional data is available for testing
- Keep track of relevant laws and regulations



# Review

Don't forget to Self-Review!

01

Does it tie to the general ledger?

02

Are formulas correct?

03

Are there any broken links?

04

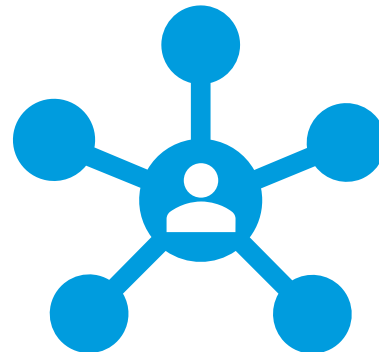
Ensure proper approval

05

Make note of any immaterial differences

06

Finalize supporting schedules



# What's changed since last year?

Let your auditor know if anything material has changed

01

Accounting systems

02

Accounting policy

03

New personnel in finance function

04

Significant transactions or changes

# New Accounting Standards

New accounting standards



Do you know what is coming?



Assess the impact



Stay Connected  
Audit and Accounting Guides  
AICPA and State Societies (Governmental Audit Quality Center)

# Preparing for On Site



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# External Audits: Project Management

# Project Management

## Deadline

- Critical to comply with Florida Statutes

## Milestones

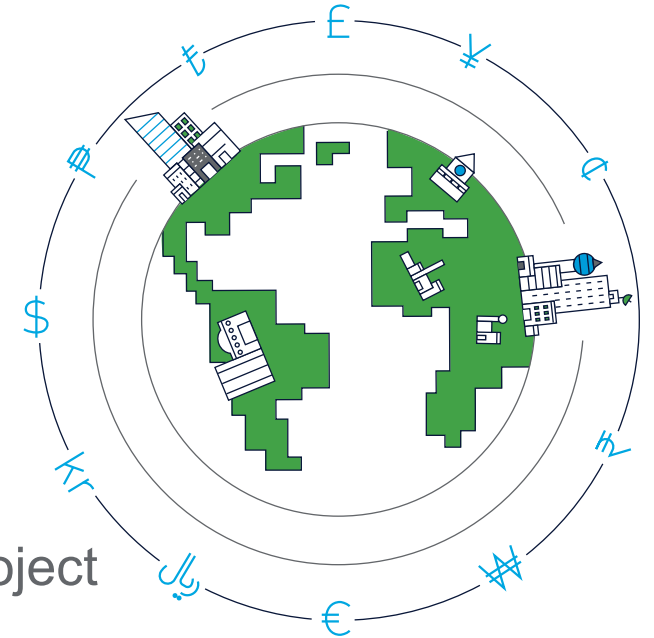
- Track progress

## Timelines with Workstreams

- Set up timelines with work streams for people supporting your project

## Constant Communication

- Do not wait until fieldwork starts to connect with the auditor and personnel responsible for the audit
- Have a planning meeting with auditors (upcoming GASBs, IT Reports, etc.)
- During the audit, schedule regular status meetings



# Let's Have an Audit Party!



An independent audit is a lot like a party... if the people don't show up, they just don't happen.

# Communication

## Internal:

- With Treasury, Accounting/Finance, IT, and other departments, make sure everyone knows what is expected and when.
- Delegate - ask for help from the person most knowledgeable in each area.
- Meet as a team to review audit progress before and during fieldwork.
- Communicate and monitor deadlines and responsibilities for each deliverable.

# Communication

## External:

### **Audit Committee/Governing Board**

- Should be aware of the audit plan and updated on status, not just receive reports

### **Auditors**

- Read the engagement letter - be aware of deadlines!
- Communicate frequently, at least weekly during fieldwork - make sure outstanding items are discussed
- Designate key point person for communication with auditors
- If you can't deliver, don't ignore, let the auditor know so they can plan

# General Question

How often should you communicate with the audit team?

- A. Monthly
- B. Weekly
- C. Only if they reach out
- D. It depends
- E. At the beginning and the end

# External Audits: Review Audit Results

# Review Audit Results

01

Debrief with team to review all phases of the audit process

02

Have exit meeting with auditors

03

Place emphasis on continuous improvement

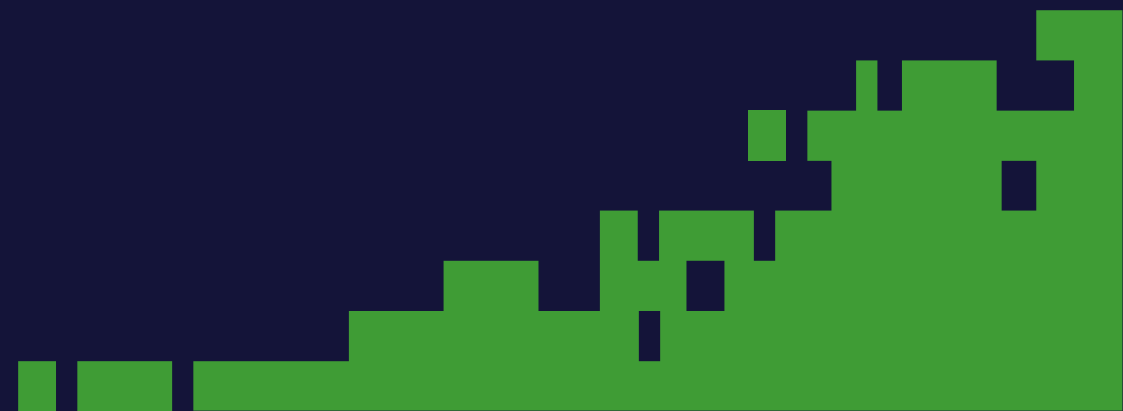
# Takeaways

What specific strategy or practice from today's discussion do you plan to implement in your audit process to make it easier?

# Takeaways

What area of your audit process do you feel needs improvement, and what concrete action will you take to address it?

# Questions and Answers





## THE POWER OF BEING UNDERSTOOD ASSURANCE | TAX | CONSULTING

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