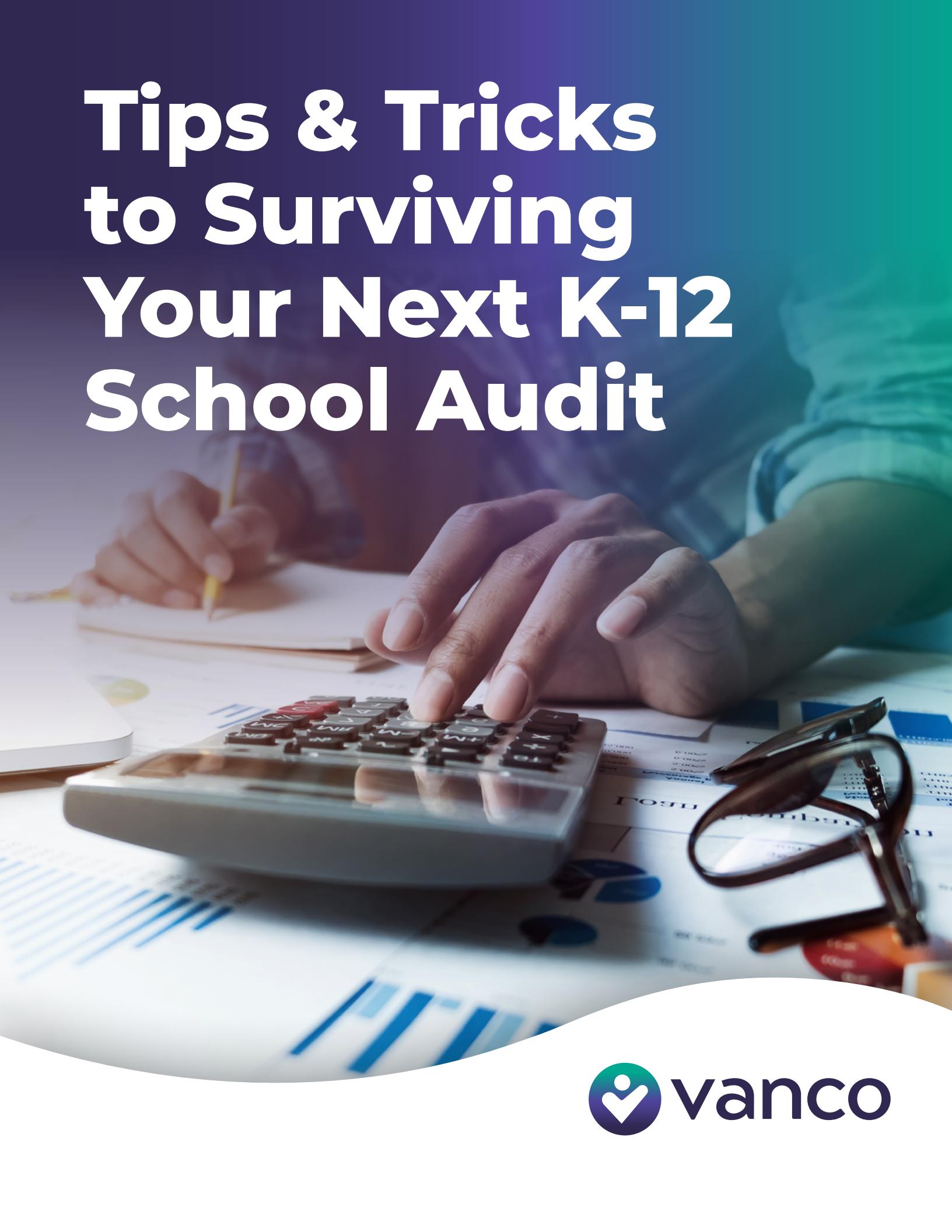


Tips & Tricks to Surviving Your Next K-12 School Audit

A blurred background image showing a person's hands working on financial documents. One hand is on a calculator, and the other is writing with a pencil. The documents include various charts, graphs, and tables, suggesting a school audit or financial review process.



Preparing for an Audit

For many school business officials, the annual audit is the most daunting event of the year. Even the most senior officials can grow nervous in the months leading up to the audit. In reality, these reports aren't designed to expose your mistakes. They're there to offer transparency and insight into the current state of things and point out where improvements can be made.

The best possible outcome of the annual audit is to receive a Comprehensive Annual Financial Report (CAFR) where an independent auditor declares that there were no findings to share. Fortunately, this is entirely attainable, so long as you follow the right advice.

1

Think About What the Auditor Will Need

By far, the single most tedious and intimidating part of preparing for an audit is getting all of the paperwork, filings, ledger books, and contracts in order. As part of a comprehensive report, you'll have literally a hundred things to show them, and that's why you should begin preparing early. However, in the midst of gathering all your official financial records, it's sometimes easy to forget about the "introductory" information the auditor will need.



The auditor will require some basic information to compile the report. If you haven't thought about providing basic information because you've been too busy stressing about everything else, it can add yet another bump in the road. Some of the basics they'll require include the organizational chart, a list of consultants and advisors, and a roster that details current officials with their terms of employment and expiration.

You'll feel much more confident going in to the audit if you take some time to prepare everything the auditor is likely to review. We created a [105-point checklist](#) to walk you through all of the items.

2

Communicate Frequently and Politely



There's no denying that the annual audit can be a stressful time, which is why it's worth reminding yourself that the auditor is just another human simply doing their job. Don't take anything the auditor questions as an attack on your person. It can certainly be discouraging when an auditor finds an error, but the learning process that results is invaluable.

After you receive the letter from your auditor, take the time to review it in detail. If you have questions, ask them sooner rather than later. Try to keep the lines of communication open, being mindful of the fact that the auditor is just as busy as you are.

3

Take Your Time During Review



When it comes to the task list, always give yourself extra time so you never end up rushing. If this is your first K-12 audit, it can be difficult to estimate how much time you'll need to get through it all. If possible, speak to another official who is familiar with the district's policies and requirements to help you estimate--and then add extra time on top of that.

With each document you submit, avoid skimming. While it's time-consuming, make sure you review every page. Ideally, you won't spend many consecutive hours reviewing documents as this can lead to you missing crucial information and mistakes. Instead, try to schedule everything so that you only spend an hour or two at a time checking over facts and figures.

4

Delegate Early and Often

It can be tempting, especially for less senior officials, to try and prepare for the audit all on your own. This may be a result of taking the audit very seriously, as you should, but it often only gets you more stressed and restrains your ability to prepare thoroughly and confidently. Ideally, as soon as you have the task list in front of you, you'll start delegating to fellow staff members.

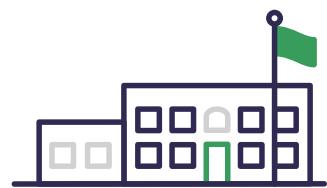


Giving fellow staff members some tasks associated with the audit will officially make them stakeholders in the process, which means they'll be motivated to support and assist with the audit process as much as they can. While you should be mindful of not overwhelming any one staff member with more than a few tasks at a time, recognizing the value they can offer is important to getting through the audit process without losing too much sleep.

5

Get Ready for the On-Site Visit

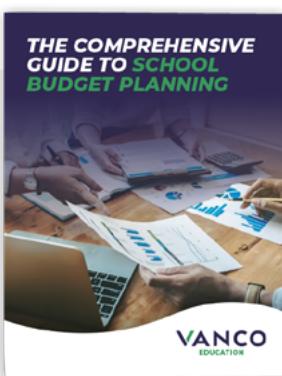
In the days leading up to the auditor's on-site visit, make sure that you coordinate with your Registrar, set aside an appropriate place for the meeting, confirm that the auditor has received the submitted documents, and give them access to the necessary systems. Before the auditor arrives, it's also important to have your notes at the ready.



While reviewing documents, you may have come across items that you believe the auditor will question, like why an unexpected expense was categorized as X instead of Y. If you reached out to the auditing firm or another entity earlier in the year to get their feedback on how you should categorize that transaction, you should be prepared to show the email thread or provide contact information for the person you spoke to.

As you gain more experience with K-12 audits, you'll likely find yourself second-guessing documents less often and more easily identifying elements the auditor is likely to bring up. Still, if anything catches your eye, it's worth making a note on it just in case the auditor wants to discuss it. As they say, you're better safe than sorry.

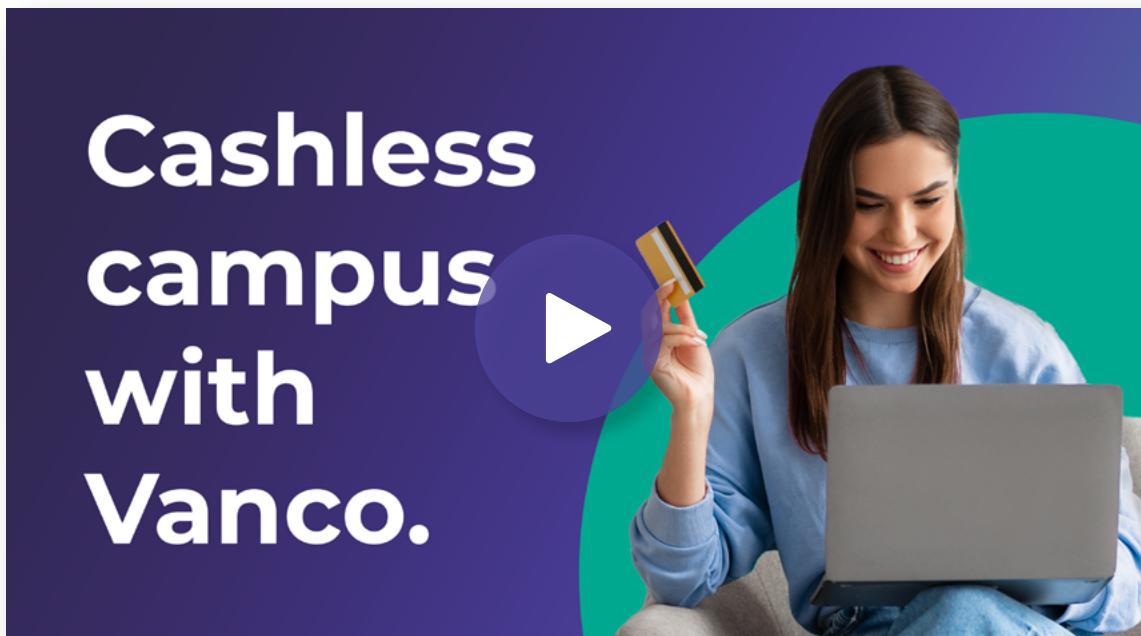
With the right preparation, you'll find that this annual audit flies by and they'll only get easier from here. Come up with a process of preparation, review, and discussion that works for you and you'll soon have a fool-proof system to help you survive every audit in your career.



Need even more information? Check out our free eBook, [The Comprehensive Guide to School Budget Planning](#).

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