

PREPARING FOR AN AUDIT – Part II

As outlined in Part I of Preparing for an audit, completing some preparatory work for the arrival of your auditor is critical. By taking the time to prepare and organize your association’s financial documentation, you will save your auditor time and potentially limit the number of questions that your auditor will have to ask you.

Listed below you will find some recommended schedules to prepare prior to your auditors arrival.

Balance Sheet Items	Supporting Schedules
Cash - Advances and Petty Cash	<ul style="list-style-type: none"> <input type="checkbox"/> Schedule (list) of cash advance holders and / or petty cash
Cash - bank	<ul style="list-style-type: none"> <input type="checkbox"/> Prepare confirmation request letter for forwarding to bank by the auditors <input type="checkbox"/> Reconciliation of Bank confirmation with general ledger account balance (s). <input type="checkbox"/> Reconciliation to be certified by preparer and delegated checking officer (as per insurance policy 2005) <input type="checkbox"/> Explanations to be provided for unusually large balances and overdrafts
Receivables	<ul style="list-style-type: none"> <input type="checkbox"/> Schedules (lists) of receivables, classified into Current and Non-current. <input type="checkbox"/> Schedule (lists) of doubtful debt, bad debts written off and recovered. Outstanding Debt Analysis (Ageing of debts report). <input type="checkbox"/> Prepare confirmation requests as advised by auditor.
Investments	<ul style="list-style-type: none"> <input type="checkbox"/> For each investment, a schedule (list), showing the face value, the cost of the investment, interest rate, date of maturity, and market value. <input type="checkbox"/> A listing of all authorities and companies within the portfolio in which the department holds the investment on behalf of the government. For each of these the value of the net assets of the entity. <input type="checkbox"/> Reconciliation to general ledger.
Other current assets	<ul style="list-style-type: none"> <input type="checkbox"/> Schedule (list) of the different categories of Other Current Assets. e.g. Prepayments, Advances, Inventory
Leases	<ul style="list-style-type: none"> <input type="checkbox"/> Details of payment schedule (list)

Financial Statements Item	Supporting Schedules
Non-current assets	<ul style="list-style-type: none"> ❑ A list of the assets
Creditors including accruals	<ul style="list-style-type: none"> ❑ A schedule (list) of other creditors, showing name, amount, nature and date of goods and services received, invoice number ❑ Prepare confirmations as advised by auditors.
Provisions for Outstanding Employee Entitlements	<ul style="list-style-type: none"> ❑ Schedules (lists) to identify any employee accruals (overtime, vacation, pension if applicable) show calculations and detail of how you arrived at these numbers.
Other Current Liabilities	<ul style="list-style-type: none"> ❑ A schedule (list) showing the components of this item, together with source documents
Net Assets	<ul style="list-style-type: none"> ❑ Reconciliation of equity and net assets.
Revenue	
All revenue items	<ul style="list-style-type: none"> ❑ Preparation of confirmation to Sport MB for Sport Manitoba grants. ❑ Summary of reasons for variances from budget estimates.
Expenses	
All expense items	<ul style="list-style-type: none"> ❑ Summary of reasons for variances from budget estimates.
Employee Expense	<ul style="list-style-type: none"> ❑ Schedule (list) showing accrued salaries and pension contributions.
Administrative Expenses	<ul style="list-style-type: none"> ❑ Schedule (list) to identify any sub-item that may need to be explained by a note to the financial statements.

Reminder: Sport Manitoba requires a copy of your Association's audited financial statement no later than 90 days following your year-end. Two Directors of your Association must sign the approved financial statements.

For more information on preparing an audit refer to these websites:

<http://elsmar.com/Audit/>

<http://www.boe.ca.gov/pdf/fam-02.pdf#search='audit%20preparation>

Publication of the PSO Unit

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