

Audit Preparation Checklist

18-point checklist — start 60 days before year-end

Start this checklist 60 days before your financial year-end. Complete it sequentially. Your audit will run smoothly and cost less.

60 Days Before Year-End

- Confirm audit dates with external auditors and schedule planning meeting
- Review prior year audit management letter — resolve all outstanding points
- Reconcile all bank accounts and investigate reconciling items > 30 days
- Review trade debtors — write off uncollectable accounts, provide for doubtful debts
- Count and value inventory / stock — investigate slow-moving and obsolete items

30 Days Before Year-End

- Reconcile all intercompany balances and confirm with counterparties
- Review fixed asset register — verify existence, identify disposals and impairments
- Confirm loan balances with banks and verify covenant compliance
- Accrue for all known liabilities: leave pay, bonuses, warranties, legal claims
- Review revenue recognition: confirm cutoff, deferred revenue, and WIP valuation
- Prepare schedule of related party transactions

Year-End Close

- Process all year-end journals with full supporting documentation
- Prepare trial balance and management accounts
- Complete tax computation and provisional tax reconciliation
- Prepare complete set of annual financial statements (AFS) in IFRS format

Audit Readiness

- Prepare audit file with all supporting schedules indexed to AFS line items
- Compile all statutory documents: CIPC certificates, SARS tax clearance, BBBEE
- Make key personnel available for auditor interviews during audit fieldwork