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Audit readiness guide

A smooth audit can provide assurance to stakeholders, investors, and regulatory bodies, while a poorly prepared audit can expose businesses to risks and penalties. This quick guide will walk businesses through the overview of audit process, outlining the documentation needed, common challenges, and how to be prepared well in advance.

Why it's important for businesses

Regular audits not only ensure compliance but also help identify areas for improvement in financial practices. Being audit–ready minimizes risks, boosts trust with investors and clients, and can even help businesses discover potential cost savings. By following this guide, businesses can navigate the audit process with confidence and avoid disruptions.

Why you need audit service

- **Legal requirement:** For companies above a certain size or public companies
- **Investor confidence:** Ensures transparency for stakeholders and investors
- **Tax compliance:** Verifies the accuracy of tax filings and financial reporting

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Documents for the audit process

Financial statements
Balance sheets, income statements, and cash flow reports.

Accounting records
General ledger, invoices, receipts.

Payroll records
Employee contracts, pay stubs, and benefits documentation.

Tax returns
Corporate and personal tax filings.

Audit process steps

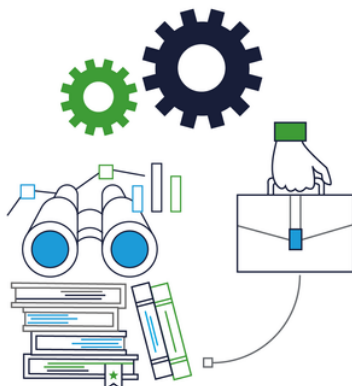**1** **Planning:** Initial meeting with auditors to outline scope and objectives.

2 **Testing:** Auditors review financial records and internal controls.

3 **Reporting:** Drafting audit report with findings.

4 **Review and finalization:** Auditors provide recommendations and discuss outcomes.

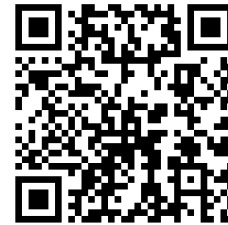**RSM**

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Common pitfalls

- Disorganized or incomplete documentation
- Failing to reconcile accounts before the audit
- Misclassified expenses or transactions

How can we help

- **Audit preparation:** Offering pre-audit review and advice to ensure compliance
- **Ongoing compliance:** Providing ongoing support for internal audits to stay prepared

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