



## Effectively Engaging with **YOUR AUDITOR**

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It should come as no surprise that the most effective auditor and auditee relationships are collaborative rather than adversarial. Your external auditor can serve as a valuable resource, providing assurance to lenders and stakeholders regarding your financial reporting accuracy. They offer fresh insights, specialized accounting expertise, and recommend strategies to enhance internal controls and mitigate risks.

When your auditor is equipped with all the facts, they can offer more practical and effective recommendations to enhance your association's existing controls and processes, ultimately safeguarding your assets.

Viewing financial statement audits as opportunities for learning and investments in your association's future can significantly benefit your operations. Engaging effectively with your auditor not only streamlines the audit process and ensures timeliness but also fosters a strong partnership between your in-house and external accounting teams. This collaboration promotes a deeper understanding of your financial practices, enhances compliance, and contributes to improved financial health for your association.

## Here are some tips for maximizing the relationship with your audit firm:

### 1. Ensure Your Auditor Understands Your Industry

CPA firms serve a variety of industries, investing in resources, talent, and educational opportunities accordingly. To maximize the value of your relationship with your audit firm, ensure your auditor or audit firm specializes in working with associations and other tax-exempt organizations.

Associations often have unique organizational structures, including incorporating the use of multiple for-profit and nonprofit subsidiaries. A CPA who understands these various structures can help navigate financial reporting and IRS regulations before they become issues. Additionally, the more specialized your audit firm is in your industry, the more experience your auditors will have to draw from when advising on industry-related matters and trends.

### 2. Transparent and Collaborative Audits are Key

While no one likes to be questioned or critiqued, being transparent with your auditor about concerns, shortcomings, or issues that have arisen during the year is crucial for promoting an effective audit. Your auditors are not out to get you; their objective is to provide an independent report on the accuracy of your financial picture and highlight any internal control deficiencies. This proactive approach helps address potential issues before they become significant problems.

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### 3. You Can't Communicate Too Much

It's essential not to limit your communications with your auditor to an annual event. Sustaining an open dialogue with your auditor throughout the year is crucial for maximizing your relationship with the audit firm and demonstrates a commitment to transparency and proactive financial management. This continuous communication fosters a collaborative environment, reducing unexpected surprises during the audit process and allowing you to capitalize on your auditor's up-to-date compliance and regulatory knowledge.

Regular and frequent interactions ensure that your auditor remains well-informed about the ongoing activities and evolving changes within your association. This proactive approach not only streamlines the audit process but also enables your auditor to provide timely guidance on complex issues as they arise.

### 4. Debrief with Your Auditor

As the audit nears conclusion, it's beneficial to schedule a debriefing session with your auditor. Use this opportunity to discuss industry trends they have observed, how your association compares, and any concerns that may not have been documented.

During the debrief, maintain openness to feedback and consider the auditor's findings and recommendations as opportunities for enhancing your financial practices. Implementing suggested changes can significantly bolster your association's financial health and operational efficiency.

By actively engaging in these discussions, you not only gain valuable insights into industry benchmarks but also foster a collaborative relationship with your auditor, ensuring continuous improvement and compliance with best practices.

For questions or to learn more about the services of Yeo & Yeo, contact Brad at [bradley.devries@yeoandyeo.com](mailto:bradley.devries@yeoandyeo.com).



### Meet Brad

Bradley DeVries serves as a principal at Yeo & Yeo, CPAs and Advisors, operating from their Lansing office. With nearly two decades of experience, he finds fulfillment in offering audit and consulting services to nonprofit organizations and associations throughout the State. Brad holds dual designations as a CPA (Certified Public Accountant) and CAE (Certified Association Executive), embodying a commitment to professional excellence in both accounting and association management. Beyond his professional pursuits, Brad enjoys unraveling the intricacies of golf, nurturing his garden, and cherishing quality time with his family.

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