Meta Title: What to expect from your first audit
Meta Description: Although first audits can be intimidating, they are necessary to ensure a business's health. We explore what to expect from your first audit.

What to expect from your first audit

Your first audit represents a significant milestone. Aside from guaranteeing compliance with regulations, it increases stakeholder confidence and can unlock crucial investment and financing opportunities. It also marks what should be a long and fruitful relationship with an audit partner that truly understands your business. But what can you expect from your first audit?

<h2> A multi-stage process </h2>

An audit spans several months and consists of three key stages requiring active participation from key stakeholders. Risk assessment and planning form the first stage. The second stage involves fieldwork and testing. Lastly is the reporting stage, where audit findings are discussed, compiled, and presented in a final audit report.

<h2>Thorough information gathering </h2>

Your auditor will want to learn as much as possible about your business, so expect a thorough risk assessment process. Although information-gathering methods vary from auditor to auditor, probing questions and communication with key stakeholders are all standard parts of the auditing process.

Your auditor may conduct interviews, make observations and request various documents. Certain business functions will come under scrutiny as your auditor works to assess risk and plan an appropriate audit program. Cooperating with your auditor throughout this process is crucial to ensure a successful audit.

<h2>Extensive document and record collection </h2>

You will be required to collect, prepare and maintain relevant records for your audit. Your auditor will supply you with a PBC or Prepared By Client list. Let your auditor know if you have any questions regarding the requirements of this list. The sooner you can start organising and checking your records, the better.

<h2>Review of controls and internal processes</h2>

An audit will reveal deficiencies in your operating controls and processes. Your auditor will communicate these deficiencies throughout the audit. It's essential to view these findings as an opportunity to correct and strengthen your business operations.

<h2>Suggestions for improvement</h2>

Auditors often share a wealth of insight and information during the audit process. These recommendations and suggestions aren't part of the final audit report but form part of the value-added services offered by a trusted audit partner. Use these insights to propel your business forward.

<h2>A collaborative reporting process</h2>

It's rare for businesses to have perfect accounts due to various factors, including human error, complex business practices, and the limitations of systems. Your auditor's responsibility is to evaluate the materiality of errors or required adjustments.

If identified errors are not considered material, or if they are material but adjusted accordingly, you'll receive a clean, unqualified audit report. Should errors be significant, with no way of being resolved, this will be stated in the audit report along with the degree of qualification.

A good auditor will keep you informed throughout the entire process and discuss any major concerns with you. They will also work with you to implement any corrective plans and conduct a follow-up review if necessary.

<h2>The bottom line</h2>

Ultimately, your first audit is an invaluable opportunity to ensure your company's financial health. It also sets the tone for future audits. As such, choose an audit partner with in-depth knowledge of your industry and a proven track record.