

Year-end audit preparation checklist

Fill in the owner and status of each line. Send the client the items marked as client documents as soon as the year-end close starts.

Client or engagement

General ledger and prior year

- ☐ Trial balance and general ledger after all year-end entries
Exported to Excel.
- ☐ Prior-year audited statements and audit adjustments
Adjustments posted, opening balances agreed.

Cash, investments and receivables

- ☐ Year-end bank statements and reconciliations
Every account; list of authorized signers.
- ☐ Bank statements for the month after year end
To test outstanding checks and deposits.
- ☐ Year-end brokerage statements
- ☐ Receivables aging tied to the ledger
Plus receipts after year end and the allowance.
- ☐ Inventory count sheets and valuation report
Only if the client holds stock.

Assets, liabilities and debt

- ☐ Prepaid expense schedule with invoices
- ☐ Fixed asset roll-forward
Invoices for additions, bills of sale for disposals.
- ☐ Payables aging and payments after year end
For the search for unrecorded liabilities.
- ☐ Accrual worksheet with support
- ☐ Loan agreements and year-end lender statements
With interest and covenant calculations.
- ☐ Lease agreements and lease schedule

Payroll, contractors and revenue

- ☐ Annual payroll register
- ☐ Forms 941, 940, W-2 and W-3 for the year
- ☐ Reconciliation of payroll expense to the filed returns
- ☐ Forms 1099 filed, with the W-9 behind each
- ☐ Major customer contracts

With a note on multi-period revenue.

Governance, legal and grants

- ☐ Articles, bylaws or operating agreement
 - ☐ Board minutes for the year and up to fieldwork
 - ☐ Capital contributions and distributions
 - ☐ Pending litigation list and attorney contact
- For the legal letter.*
- ☐ Related party list and transactions with them
- Owners, family members and companies they control.*
- ☐ Signed authorizations for bank, lender and customer confirmations
- The auditor sends the confirmations; the client signs the requests.*
- ☐ Events after year end
- New debt, lawsuits, large losses or sales up to fieldwork.*
- ☐ Schedule of federal award spending
- Grantees only; single audit test.*
- ☐ Management representation letter

Drafted by the auditor, signed at the end of fieldwork.