

Springtime – Time to Take Stock of your Financials

By Christine Lent

For many of you springtime marks the end of your fiscal year. Everyone is busy gathering documents and getting ready for the auditors to come in and perform their annual review or audit. As you gather your list of documents, use this time to look back at your financial performance for the year. Organizations shouldn't look at the audit as merely an obligatory exercise, it is a time to pause and analyze successes and areas for improvement before starting the new year. If you are having a full audit, the audit firm will also prepare a "management letter" with recommendations that should be considered for adoption. So, when undergoing your annual audit a few things to consider:



1. Reconcile the audited financials to the internal reports that the Board has reviewed during the year – have the auditors found any adjustments?
2. Prepare financial ratios and analyze year over year changes – are these changes what you expected?
3. Do the final year-end numbers have any bearing on the budget you prepared and approved months ago?
4. Have the auditors found any areas of concern and should changes be considered in order to strengthen internal controls?
5. Finance Committee should report the to the Board the results of the audit

Use the time of the annual audit to review your past performance in full (I have shared here before that monthly dashboards should be presented to the Board on an on-going basis) and discuss your organizations financial health as you look to summer and getting ready to push ahead with your plan for the new year.