

**STRENGTHMATTERS®**

**REIMAGINING  
REINVENTING  
REBALANCING**

2021 Financial Management Conference

# Controllers – Efficient audit experience: working with your auditor across the year

**Winell Belfonte, CPA**  
Partner, CohnReznick

**Jaya Johnson, CPA**  
VP, Controller Mercy Housing

October 26, 2021

# Continuing Professional Education Requirements for CPAs

- **Polls are Required for CPEs**
  - If you are seeking CPE credits, please submit ALL polls within each session, and the conference evaluations.
  - If you miss a poll, send a **Chat** message to the Host immediately.
- We use **Polls and the Zoom attendance record** to verify participation throughout the webinar.
  - **Participants must submit ALL polls and be logged in no later than 10 minutes after the scheduled session start time to receive a certificate.**

# Continuing Professional Education Credits (CPEs) for CPAs

- **Check your Zoom display name**
  - If the correct name is not shown, email your Zoom display name and your full name to [consult.lwells@gmail.com](mailto:consult.lwells@gmail.com).
- You may **request a certificate of completion via the conference evaluations**.
  - Links to the evaluations are emailed to all registrants.
- For more information on CPE credits, contact Lindsay Wells at [consult.lwells@gmail.com](mailto:consult.lwells@gmail.com).

# Questions

- All participant lines are muted.
- Please use the **Raise Hand** feature if you would like to speak.
  - Raise hand feature is located in the Participant panel.
- You may also use the **Chat** feature to ask questions.
- Send a **Chat** to the Host if you have a technical issue.

# Learning Goals

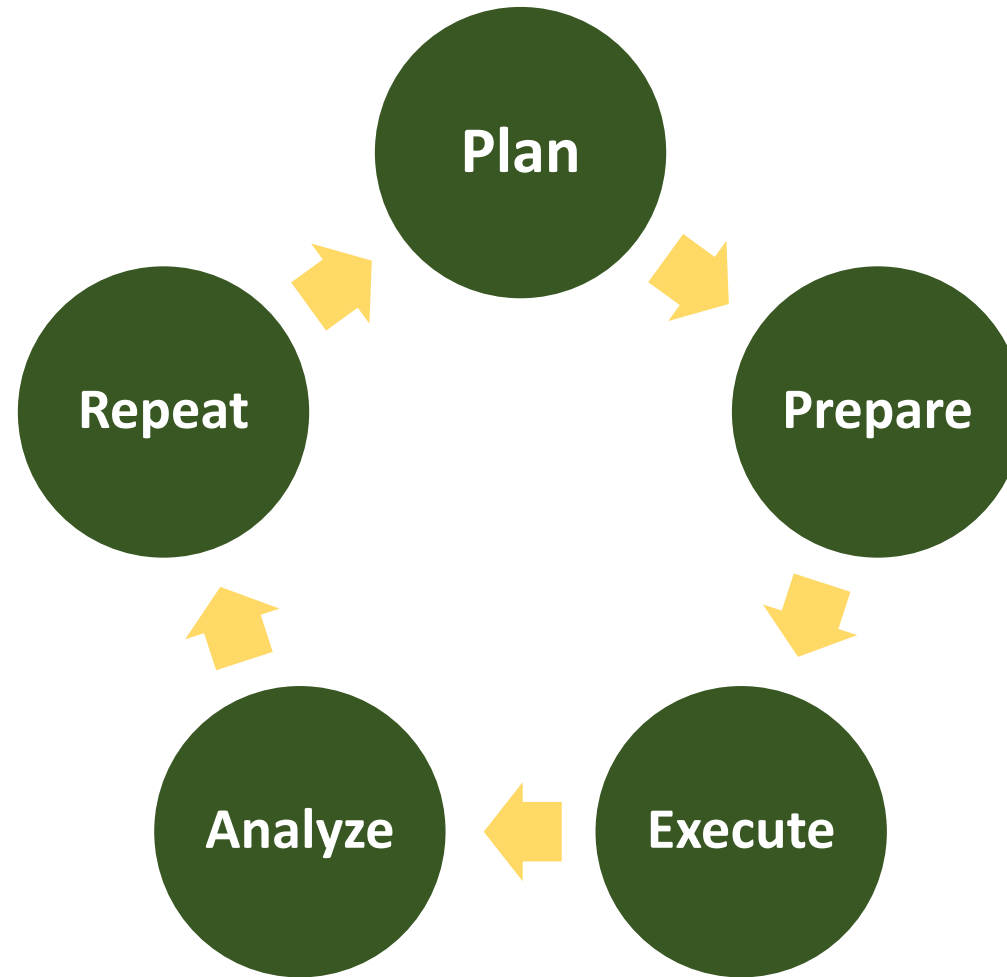
- Strengthen partnership with our auditors
- Focus on audit efficiency and accelerate timeline for completion
- Leverage technology in the era of remote work

# Polling Question 1

How many audits does your organization have annually?

- a) 0- 25
- b) 25- 50
- c) 50 – 100
- d) 100 plus

# The audit life cycle



# Plan

- **Timing** : Start the planning process early
- **Participants** : Give participants advance notice and purpose – auditors and team
- **Content** : Focus from all team viewpoints and encompass a wide range of information
- **Celebrate** past successes (and repeat them): Note achievements of staff and successes of processes
- End with a **tangible output**



# Examples of output-1 (Financial Packets Deliverables Matrix)

Mercy Housing Inc - AUDIT COMPLETED -															
2020 Audit Delivery Schedule															
Updated - 3/3/2021															
							Revised Revised				Revised Revised				
Acct Dept	Property Type	Code	Investor	Asset Manager	Acct	Audit Scope	Audit Group (Consolidation)	Audit Grouping Reason	Date - Packets to CR	Date - Draft to Investor	Date - #'s Stop Moving (Consolidation)	"Best" Date - #'s Stop Moving	Audit Due	AMR	
Corporate	GP	0007	N/A	N/A	Lindsey Dixon	GP Scope	Audit Group A-2/25 TB	consolidation level	2/25/21		2/18/21	2/18/21	4/22/21		
Corporate	GP	0012	N/A	N/A	Lindsey Dixon	GP Scope	Audit Group A-2/25 TB	consolidation level	2/25/21		2/18/21	2/18/21	4/22/21		
Property	Prop	0022	Mercy	Rankin, Melissa	Open Position but	Limited	Audit Group A-2/25 TB	consolidation level	1/26/21		2/18/21	2/18/21	4/30/21		
Property	Prop	0053	HUD	Purtle, Carolyn	Scott Kimball	HUD-NP	Audit Group A-2/25 TB	HUD audit	1/19/21		2/18/21	2/18/21	3/31/21		
Property	Prop	0075	Mercy	Saab, Bruce	Tran Nguyen	GAAP	Audit Group A-2/25 TB	consolidation level	1/19/21		2/18/21	2/18/21	3/31/21		
Property	Prop	0079	HUD	Purtle, Carolyn	Scott Kimball	HUD-NP	Audit Group A-2/25 TB	HUD audit - flagged	1/26/21		2/18/21	2/18/21	3/31/21		
Property	MP	0081	Mercy	Boening, Kassidi	Douglas Drifmeyer	GAAP w/MOHC	Audit Group A-2/25 TB	investor requirement	1/11/21	2/14/21	2/18/21	2/4/21	3/1/21	Yes	
Property	MP	0082	Mercy	Wallace, Anyeka	Open Position but	GAAP	Audit Group A-2/25 TB	consolidation level	1/11/21		2/18/21	2/18/21	4/30/21		
Property	Prop	0088	HUD	Purtle, Carolyn	Scott Kimball	HUD-NP	Audit Group A-2/25 TB	HUD audit	1/19/21		2/18/21	2/18/21	3/31/21		
Property	MP	0091	Wentwood	Purtle, Carolyn	Scott Kimball	RHS	Audit Group A-2/25 TB	investor requirement	1/19/21	2/26/21	2/18/21	2/16/21	3/31/21		
Property	Prop	0092	CalWest	Suchy, Jennifer	Nicole Kracha	GAAP	Audit Group A-2/25 TB	consolidation level	1/19/21		2/18/21	2/18/21	4/15/21		
Corporate	GP	0111	N/A	N/A	Lindsey Dixon	GP Scope	Audit Group A-2/25 TB	consolidation level	2/25/21		2/18/21	2/18/21	4/22/21		
Property	Prop	0121	HUD	Wallace, Anyeka	Tran Nguyen	HUD-NP	Audit Group A-2/25 TB	HUD audit	1/11/21		2/18/21	2/18/21	3/31/21		
Corporate	GP	0124	N/A	N/A	Lindsey Dixon	GP Scope	Audit Group A-2/25 TB	consolidation level	2/25/21		2/18/21	2/18/21	4/22/21		
Property	Prop	0181	Mercy	Suchy, Jennifer	Nicole Kracha	Yellowbook	Audit Group A-2/25 TB	investor requirement	1/11/21		2/18/21	2/18/21	4/30/21		
Property	Prop	0182	Mercy	Westneat, Sarah	Fan Yang	GAAP	Audit Group A-2/25 TB	investor requirement	1/19/21		2/18/21	2/18/21	4/30/21		
Corporate	GP	0192	N/A	N/A	Lindsey Dixon	GP Scope	Audit Group A-2/25 TB	consolidation level	2/25/21		2/18/21	2/18/21	4/22/21		
Property	MP	0207	Mercy/US Bank	Purtle, Carolyn	Scott Kimball	GAAP	Audit Group A-2/25 TB	investor requirement	1/11/21		2/18/21	2/18/21	3/31/21		
Corporate	GP	0208	N/A	N/A	Lindsey Dixon	GP Scope	Audit Group A-2/25 TB	consolidation level	2/25/21		2/18/21	2/18/21	4/22/21		
Property	Prop	0228	HUD	Wallace, Anyeka	Blake Vagle	HUD-NP	Audit Group A-2/25 TB	HUD audit	1/19/21		2/18/21	2/18/21	3/31/21		
Corporate	GP	0234	N/A	N/A	Lindsey Dixon	GP Scope	Audit Group A-2/25 TB	consolidation level	2/25/21		2/18/21	2/18/21	4/22/21		
Property	MP	0260	Mercy	Wallace, Anyeka	Blake Vagle	GAAP	Audit Group A-2/25 TB	consolidation level	1/11/21		2/18/21	2/18/21	4/30/21		
Property	Other	0279	no investor	N/A	Tran Nguyen	Limited	Audit Group A-2/25 TB	consolidation level	1/26/21		2/18/21	2/18/21	3/15/21		
Corporate	GP	0283	N/A	N/A	Lindsey Dixon	GP Scope	Audit Group A-2/25 TB	consolidation level	2/25/21		2/18/21	2/18/21	4/22/21		

# Examples of output-2 (Consolidation Cadence Schedule)

2020 Audit Schedule					
	<i>Mercy &amp; CR- Discuss Audit Group</i>	<i>Mercy &amp; CR- Pencils Down</i>	<i>Mercy- begins Consolidation</i>	<i>Mercy-uploads GP Rollforwards</i>	<i>Mercy-uploads Consolidation PBCs</i>
Audit Group A	2/11/2021 (Th)	2/18/2021 (Th)	2/19/2021 (F)	2/25/2021 (Th)	2/25/2021 (Th)
Audit Group B	2/18/2021 (Th)	2/25/2021 (Th)	2/26/2021 (F)	3/4/2021 (Th)	3/4/2021 (Th)
Audit Group C	2/25/2021 (Th)	3/4/2021 (Th)	3/5/2021 (F)	3/15/2021 (M)	3/15/2021 (M)
Audit Group D	3/4/2021 (Th)	3/11/2021 (Th)	3/12/2021 (F)	3/22/2021 (M)	3/22/2021 (M)
Audit Group D		3/15/2021 (M)	3/16/2021 (T)	3/24/2021 (W)	3/24/2021 (W)
	In these meetings we will go over upcoming consolidation group and discuss any critical open items that Thould hold up the consolidation group				

# Prepare

- **Staffing considerations- temp help, planning for holidays at year end**
- **Coordinate with other departments- Accounts Payable, Payroll, Asset Management, Management Company, FP&A**
- **Develop year-end soft close calendar**
- **Shell Schedules- reconciliations, memos, templates, draft FS**
- **Technology access points for teams- SharePoint, Yardi, Secure Lease Testing, Litigation, Philanthropy**
- **Gather new agreements/documents**
- **Clean up GL records**

# Polling Question 2:

Which will improve your audit process/efficiency?

- a) More staff/help
- b) More time – longer deadlines
- c) Improved use technology
- d) Better internal coordination

# Execute

- **Roll out deliverable schedules with staff**
- **Schedule weekly progress meetings with auditors**
- **Solidify preparer, reviewer and high level reviewer roles**
- **Schedule weekly internal all-staff meetings and track progress of deliverables to auditors**
- **Compare and analyze the “days-in-play” for a stand alone audit from week-to-week**
- **Ensure that accounting staff and audit teams are moving in lockstep to agreed upon dates of deliverables**
- **Pulse check with auditors on over-arching issues**
- **Celebrate successes timely**

# Analyze and Repeat

- **Check in with staff and auditors regularly on what is going well and what needs refinement**
  - **Consider multiple deadlines- investors, lenders, higher-tier consolidation**
- **Course correct when necessary**
- **Document the process as academically as you can at various levels**
- **Have internal meetings in May/June to compare notes**
- **Repetition is a critical component of audit success- close calendars, balance sheet clean outs, check in meetings.**



# Hurdles

- **Financial and HR limitations**
  - Consider temporary augmentation to staffing
- **Technology limitations**
  - Leverage existing IT teams
- **Staff turnover- knowledge gaps**
  - If possible, consider a floating staff
- **New/challenging transactions**
  - Early prep work, gather docs, consider early work-plan with auditors
- **Change in accounting guidance**
  - Continuing education, discuss implementation strategy and timing with auditors

# Polling Question 3:

Which will improve the relationship with your auditor?

- a) More interim procedures
- b) Quarterly meetings
- c) Frequent check ins during the audit period
- d) All of the above



# CPE Feedback Poll

- If you are seeking CPEs, please complete this brief feedback poll.
- Note: All registrants will receive links to the conference evaluations via email.
  - Please complete the conference evaluations to request CPE credit and to provide qualitative feedback.