STRENGTH MATTERS® **Financial Management Conference**

Best Practices for Managing a Remote Audit

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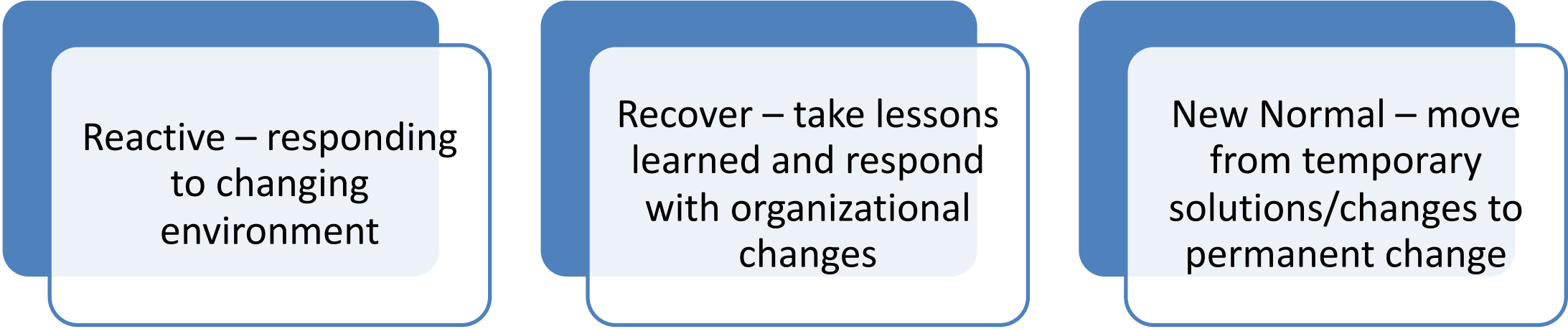
September 7, 2022

Continuing Professional Education (CPEs) Requirements for CPAs

- Please be sure you **SIGN IN at the beginning and SIGN OUT at the end of every session.** We use the sign-in sheets to verify your participation for CPE credits.

- Please **submit all conference evaluations.** Evaluation links are emailed to registrants daily. Please see the session host (the person monitoring the sign-in sheets) if you prefer a paper evaluation.

- For more information on CPE credits, contact Lindsay Wells at consult.lwells@gmail.com.

Questions

- We will pause during the presentation and again at the end for Q&A.

Three Distinct Phases of COVID-19

Reactive – responding to changing environment

Recover – take lessons learned and respond with organizational changes

New Normal – move from temporary solutions/changes to permanent change

Internal Controls

FINANCIAL STATEMENT AUDIT

GET AN UNDERSTANDING OF THE CONTROLS

DOCUMENT CONTROLS

PERFORM TESTS ON THE DESIGN OF CONTROLS

Internal Controls

Considerations when one versus multiple control environments:

- A single control environment is one in which the control environment has stayed the same for the entire period of time during which transactions related to the fiscal year occurred.
- Multiple control environments could exist when the control environment changes significantly due to unforeseen events:
  - Staffing changes
  - Technology changes
  - Changes related to COVID

Electronic Information

Availability of electronic information helps both the auditors and the Organization

- Remote environments often sped up implementation of electronic record keeping

Beware of providing too much information

- Can create inefficiencies in sorting through information and could result in providing information that was not intended

Availability of time

Advantages	Disadvantages
• Working remotely allows flexibility in completing work • This environment can also help with better "focused" time	• Without having the traditional "fieldwork" it can be out of sight out of mind • Priorities can easily be shifted when there is not scheduled time

Resolution of Issues

Working through more technical issues is always better to do in person when possible

Key is to schedule specific time to discuss

If questions take more that one email to resolve it's better to discuss over the phone or in person

Need to be more deliberate and proactive in communication and updates

Quality of work

1

Are there certain processes that can't be fully completed remotely?

2

Increased risk with distribution of sensitive information

3

Evaluating current software platforms

Workforce Observations

Hybrid Work Is Here to Stay

Flexibility is now an expectation of many workers

- Organizations requiring a fully on-site arrangement are at risk of losing a significant portion of their workforce

Well being is a key metric

- Majority of organizations have made an additional investment in well-being over the last two years

Turnover is a constant risk

- Hybrid/remote models increases turnover for many reasons

Gen Z impact

- Different work environment expectations

Think outside the box

Shorter work week

Shorter work week

Utilizing technology to monitor employees

Utilizing technology to monitor employees

DEI considerations

DEI considerations

Other Observations-Things that Worked Well Generally

Ongoing Monthly Zoom calls with auditors/tax consultants so few surprises when audits start (already discussed anything unique ahead of time)

Receive Request Lists Early with Assignments to various staff members (with email reminders) and limited administrative rights to add new items

"Drop Box". No more stacks of paper. Less reliance on emails sending items to one person. Now in common storage.

Internal process for providing and saving copies of electronic documentation sent to auditors for overall tracking and future reference

Staff turnover issues reduced "when there had always been only one person who knew what the auditors needed"

Other Observations-Things that Worked Well with Property Audits

Tenant File Testing. Rather than paper, uploaded into Yardi and auditors can pull directly from there.

Use of Rent Café for rent payments. Payments go to the bank and posting into the system provides less risk of fraud and bank reconciling items and...less questions from the auditors!

Cloud-based software, auditors are given access to run reports themselves and to same data used by management. Eliminates the wait time to get some information.

Overall, not much change to WHAT is being provided to the auditors but some of the processes feel easier and faster.

Other Observations-Things that Worked Well with Corporate Audit

Removed the need to find space for the auditors, get them access to internet and into the building and confirming office hours, etc.

Removed the parameters of time when can answer a question...the middle of the night if you wanted. Work anywhere/work anytime policy.

Everyone has remote access so minimal IT issues

MUCH Less wasted time

Other Observations-Challenges Generally

Making sure that everyone can use technology and has appropriate access without losing any internal controls.

A million emails often results in some requests and some answers being "lost".

Very important for everyone to be organized and to implement the best form of communication depending on who is involved. Emails? Telephone calls? Zoom? Teams?

Was weirdly complicated to plan for when the auditors were going to come to the office when staff would also be there. And then, for what purpose?

Other Observations-Property Audit Challenges

Mass resignations with less people. Waiting longer for open items to be answered. Items previously available not available due to staff turnover.

Long-term MF Property Managers are being replaced with little/no experienced staff and processes that were long-established can no longer be assumed and often documents that used to be previously saved are no longer are available to the auditors.

New staff do not know any history or why something was done the way it was done (even relatively recent history) to answer questions.

Quiet quitting…I'm still here but don't expect me to do more than my job description…which often means if I don't know off the top of my head, I don't own finding out for you.

Other Observations-Corporate Audit Challenges

Less accountants "out there" who want accounting jobs in not-for-profit organizations so when someone leaves, puts more burden on remaining staff.

Requests from staff to work in another state.

New approval processes when had always been using hard copies. New internal controls that cover new and hybrid processes.

Electronic Signatures...especially determining when acceptable. What is an "original"?

Evaluation Reminder

- Please submit all conference evaluations. Use the electronic evaluation link in your email.

- Contact consult.lwells@gmail.com if you do not receive the link.

CONTACT INFORMATION

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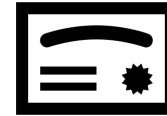**Plante Moran**
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