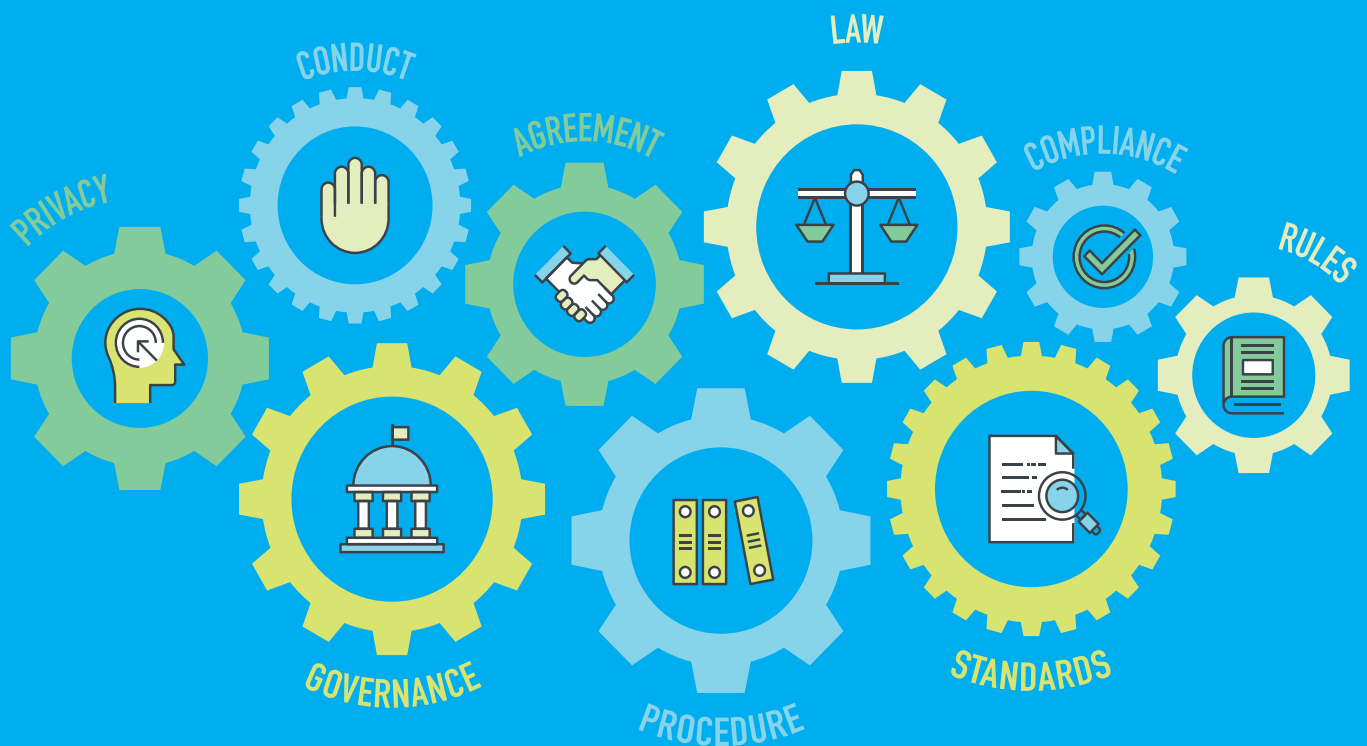




How to successfully manage your next audit.

Insight for your ag business





Your financial audit.

The very thought of an audit tends to bring fear and anxiety to anyone. As someone that deals with the numbers every day, audits are part of our working schedule. While audits are nerve racking and comparable to having teeth pulled, they are an instrumental check point into the books. It isn't fun, but it is necessary and a valuable activity. **Having the right Mindset, Personality, and Toolkit** and preparing appropriately can greatly reduce the challenges and time of the audit. The following tips should help you have a much more seamless and smoother audit.

Chris Pelz, CPA



Tips for success

Mindset - Think Like an Auditor



- Remember History – The audit process requires a very structured approach that is quite similar regardless of who is being audited. It helps to recall previous audits and what information was required and needed. One example could be details of certain accounts.
 - Auditors tend to have materiality and risk thresholds that lead them to review the same accounts year over year. Try to have those items prepared ahead of time for the auditor.
 - Audit yourself – If you were checking your own work, what would you look for? Think about any events or unusual activity throughout the year that may trigger the auditor for further review. Have these items prepared and have documentation and answers ahead of time based on your review.
- Financial Review – Take a big picture review of your financial statements. Is there anything that stands out? Are there accounts or areas that are much different than previous years? If so, be prepared ahead of time with your data and dialogue as to the differences.

Personality – Be Your Best Self

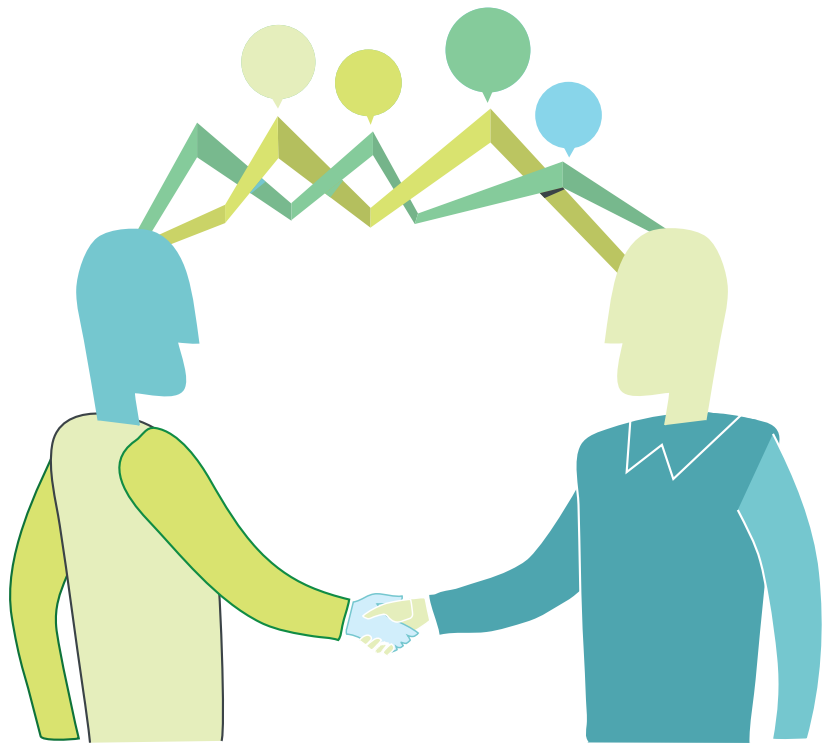
- Be honest – Honesty is the best policy, and auditors appreciate forthrightness as they are reviewing. Pre-emptive honesty is both respected and appreciated. If you know of any questionable items/discrepancies, let the auditors know and work through the issue with them.
- Be helpful – The easiest way to move an audit along is to give auditors what they want and need as quickly as possible. Show the auditors you are there to help them move through the audit as effectively and efficiently as possible. Be responsive, timely, and available.
- Be kind – Start the day on the right foot. Greet the auditors first thing in the morning. See if there is anything you can do for them to help them prepare for the day. Offer to take them to lunch or bring it in for ...(continued)



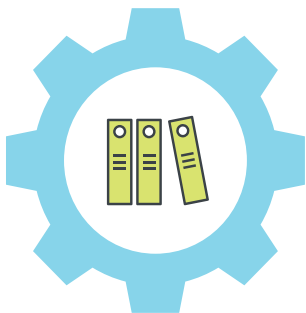
Personality – Be Your Best Self (cont...)

them. Have them get a feel for your organization. Let them see the integrity and kindness on display.

- Manage your time - Make sure workload is light during the time of the audit. Be available and ready for requests. Prioritize any audit request. Give them your cell phone or other optimal communication channel. If you have times where you will be unavailable, let the auditors know ahead of time so they can plan their activities as well.



Toolkit – Have the right tools for the job



- Financials – Build simple, easy to read financials for your auditor. Auditors tend to prefer simple and easy to read documents. Nothing fancy, just clear and simple financials. Use checks in your system to ensure all accounts are accounted for and that you are not missing any data. If you have multiple lines of business or other factors relevant to the audit, make sure to have appropriate financials prepared ahead of time for the auditors. iRely has tools that allow you to ensure you aren't missing any accounts and gives you the ability to create simple, easy to maintain financials for your audit.
- Drilldown – Drilldowns help you get further details on the financial numbers. They are a valuable tool to dig further into the numbers and understand the accounts and transaction sets that add up to the financial number. iRely allows you to drill down multiple levels to the transaction level. You can even bring up specific vouchers and invoices at the lowest level of drilldown.
- Grids and Filters – Auditors love Excel. Excel is the tool of choice for many auditors as they prepare their audit papers. Grids and filters is an accounting view method that most closely reflect Excel. Grids have rows and columns. The columns have headers and the rows present the relevant data under the headers. This enables viewing data in several ways that make sense to an auditor's mind frame.

Toolkit – Have the right tools for the job (cont...)

iRely presents all critical data in a grid/filter format. Open up vouchers and all voucher data will be presented in a grid format. Filter quickly to a specific vendor or filter to find a specific dollar amount. This gives you and the auditors a quick and easy way to track down specific data. Once the appropriate data is filtered, simply export to excel and the report is ready.

- **Dashboard** – Customize your dashboard to present known pertinent data. Based on your preparation, if you know the auditors are going to be looking for specific data that may require some effort to complete, look at creating customer dashboards to get the data. Dashboards pull data from the database in ways that aren't typical in financial or grid presentation. This allows you to associate many pieces of unrelated data that may be of value to the auditor.
- iRely has a completely customizable dashboard. Simply create 'panels' that will be displayed on the dashboard. Through database relationships, dashboards allow you the ability to present practically anything. There are innumerable ways to use the tool and is highly flexible. If you have certain requests from the auditors that tend to take a while to put together, try creating a customized dashboard and sharing with the auditor. Auditors will again appreciate the preparation and transparency.



- **Audit Log** – One of the more valuable tools in an accounting system is an audit log. Audit logs keep a record of activity so you can review what happened historically.

iRely's audit log is quite thorough. Not only is there an audit log on transactions, but there are also audit logs on many of the setup items. Many issues occur when setups change, and there is usually not visibility as to what happened. iRely's audit log also tracks user, time, and the specific change that occurred at the database level. Auditors can review the log and have full visibility to the 'story' of the transaction. This can greatly assist in tracking down obscure unknowns or unidentified differences. It will also help point to the appropriate resource to discuss the basis of certain entries.

- **Log-ins** – If you really want to go the extra mile, see if your auditor would like a temporary log-in to the system. Train them on the grids and filters and let them figure out the best ways to get the data they need. Not only is this highly transparent, but it also allows the auditor's unlimited discretion in the data they are seeking and will tend to speed up the audit process.

Why i21?

Ten years ago, the team at iRely saw many vertical markets were lacking a viable “go-forward” technology path. Many markets were underserved by larger technology companies, and not yet large enough to support a full-function integrated solution specific to their needs.

We saw that our customers had a desire to :

- Replace multiple solutions for varying sectors of their business that were costly to maintain
- Implement new technology specific to their needs
- Leverage a solution for all facets of their business
- Easily navigate multiple systems that support their business process flow
- Maximize minimal resources with an efficient and effective tool
- Improve reporting functions to accurately analyze business needs and costs
- Remove systems that were not specific to their industry’s needs and therefore took time to manipulate.

iRely created a new alternative: i21 , an integrated ERP solution for commodities and people that work with them.



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