Audit Policy

ACCOUNTING DEPARTMENT

ACCOUNTING

VERSION	EFFECTIVE	REVIEWED
1.0	March 2026	March 2026

POLICY

Barkan is committed to maintaining transparent and accurate financial reporting. All CPA reviews, financial audits, and workers' compensation audits must be managed with consistency, compliance, and timely communication. The Accounting Department is the primary point of contact for all CPA interactions. Managers and staff must provide all requested documentation promptly to support the review or audit process.

CPA Reviews & Audits

1. Engagement letters should be signed by the Board unless approval is explicitly provided in writing.
2. Upon completion, the representation letter must be signed by the Board member(s) and the AE/GM as managing agent, as directed by the CPA.
3. All communications with the CPA should be routed through the Accounting Department. If Accounting cannot respond to a CPA inquiry, it will be forwarded to the appropriate party for assistance. An audit timeline should be established to keep the AE/GM and the Board informed.
4. AE/GM must respond promptly to all requests from Accounting for information or documentation required to complete the review or audit.
5. Staff must ensure the following documents are saved on shared platforms in the appropriate folders for the year under review for ease of access.
    a. All contracts (both one-time and ongoing)
    b. Insurance policies
    c. Approved budget
    d. Meeting minutes
    e. Financial Statements
    f. Tax Returns

Workers' Compensation Audits

1. Workers' compensation audits are typically conducted annually by the insurance carrier or their designee.
2. The AE/GM will manage initial communications with the auditor and coordinate document collection.
3. AE/GM must assist by providing employee classification details, payroll records, subcontractor information, and any other data as requested.
4. All documentation relevant to the audit must be saved in the appropriate shared file for audit records.
5. Timely responses to Auditor's requests during a workers' compensation audit are required to avoid compliance issues or financial penalties.