External audit readiness checklist

A concise checklist based on the steps in our guide "Preparing for your first external audit", to help finance teams prepare before and during the audit. Adapt it to the entity’s nature, size and risks and to the auditor’s requests.

Audit framework and expectations

- [ ] Confirm the financial reporting framework endorsed in the Kingdom that applies to the entity.
- [ ] Confirm the period under audit and the comparative information required.
- [ ] Agree the timetable and dates for providing information and documents.
- [ ] Name the people coordinating with the audit team.
- [ ] Review the engagement letter and the responsibilities of management and the auditor (ISA 210).

Opening balances and comparatives

- [ ] Prepare documents and records supporting balances brought forward (ISA 510).
- [ ] Check that prior-period figures are sound and properly disclosed.

Records and balances

- [ ] A trial balance after the necessary adjustments.
- [ ] Bank reconciliations with unexplained differences resolved.
- [ ] Customer and supplier balances agreed, with ageing and allowance assessment.
- [ ] An updated fixed asset register: cost, depreciation and useful lives.
- [ ] Inventory records, the physical count plan and agreement with the auditor on attendance where required.
- [ ] Related-party transactions and balances identified and disclosures prepared.
- [ ] Zakat and tax balances and liabilities reconciled to returns and records.

Documents requested

- [ ] A coordinator for information requests.
- [ ] A list of requested documents with an owner and target date for each.
- [ ] Electronic files organised with clear names and defined versions.
- [ ] Significant contracts, minutes, statutory documents and financing agreements.
- [ ] Documents checked for completeness and consistency before submission.

Accounting policies and estimates

- [ ] Documented policies for revenue, inventory, depreciation, impairment, provisions and related parties.
- [ ] Significant judgements and assumptions documented.

During and after the audit

- [ ] Regular follow-up meetings with the audit team as needed.
- [ ] Open queries and unresolved matters tracked.
- [ ] Proposed adjustments and disclosures reviewed against the applicable framework.
- [ ] A plan to address internal control findings, with owners and follow-up.

This checklist is general guidance, not professional advice. Requirements vary by entity and engagement letter.