

Audit Checklist

01

Financial Statements

- ▶ Balance sheet
- ▶ Income statement
- ▶ Cash flow

02

Bank Reconciliation

- ▶ Reconcile all bank accounts
- ▶ Resolve any discrepancy

03

Trust Accounts

- ▶ Verify client funds are separate
- ▶ Complete bank reconciliation

04

Revenue and Expense Verification

- ▶ Ensure rental income is tracked in correct period
- ▶ Match expenses to correct revenue

05

Lease Agreements and Contracts

- ▶ Ensure tenant lease agreements are up to date
- ▶ Verify lease terms are reflected in accounting system
- ▶ Review vendor contracts

06

Insurance and Risk Management

- ▶ Verify all properties have insurance
- ▶ Review policies and expiration dates
- ▶ Assess risk management practices

07

AR

- ▶ Review receivable aging report for overdue accounts
- ▶ Follow up with delinquent tenants
- ▶ Ensure all receivables are recorded and reconciled

08

AP

- ▶ Review aged payable report
- ▶ Confirm expenses are recorded and authorized
- ▶ Ensure timely payments

09

Security Deposits

- ▶ Reconciliation of tenants
- ▶ Reconciliation of tenant liability to balance sheet and cash

10

Compliance check

- ▶ Verify GAAP adherence
- ▶ and DRE compliance

11

Internal Control

- ▶ Evaluate effectiveness of current process
- ▶ Identify risk or vulnerability in financial management

12

Bank Activity

- ▶ Reconcile bank activity to trust account balance

13

Property Maintenance

- ▶ Verify compliance with safety and health regulations

14

Audit Findings

- ▶ Compile a summary report and develop action plan to address unresolved issues

15

Follow-Up and Monitoring

- ▶ Monitor progress of implementing improvements

DRE Audit Insurance:
Protect Your Portfolio for Just

\$10

/Unit/Quarter

