

Accountant Mike Pocrnich Discusses Keys to Successful Audit Preparation

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/EINPresswire.com/ -- [Mike Pocrnich](#), an accounting professional with a distinguished career of over twenty years, recently offered his insights into the critical elements of audit preparation. Pocrnich, based in Minneapolis and currently a Finance Manager at Element Financial Advisory, has played a significant role in guiding organizations through the audit process, focusing on the accuracy and clarity of their financial reporting. He highlighted eight specific areas that organizations should consider in order to successfully prepare for an audit, including documentation, reconciliation, access to information, internal reviews, inventory checks, compliance, financial statements, and communication.



Mike Pocrnich, accountant with over 20 years experience

"The cornerstone of any audit is documentation," asserted Pocrnich. Proper documentation for all financial transactions, including invoices, receipts, and contracts, is essential. Maintaining and producing proper documentation not only validates the transactions of an organization but also provides a comprehensive trail for auditors to examine the financial activities over the period under review. "Documentation alone does not guarantee a smooth audit, but a lack of documentation will lead to a difficult audit at best."

According to Pocrnich, reconciliation is a critical step in audit preparation. "Ensuring that your ledgers and bank statements correspond is not just important; it is absolutely crucial." He

explained that engaging in regular, thorough reconciliation practices is fundamental to affirming the accuracy of recorded financial amounts. This diligent process aids in the early detection and resolution of discrepancies, which facilitates a smoother and more efficient audit. This level of attention to detail is important in maintaining the integrity of financial reporting before an auditor's examination begins.

Mike Pocrnich went on to highlight the importance of providing auditors with unobstructed access to financial records. This includes making available past audit reports, the general ledger, tax returns, and financial statements– all of which are fundamental to a smooth audit process. He is also a proponent of conducting an internal review or audit before the external auditors step in. He described this as a proactive measure to identify and correct issues early on, thus saving time and maintaining the organization's reputation during the actual audit.

For companies with physical inventory, Pocrnich stressed the importance of inventory checks. "A physical count is absolutely critical to verify the actual existence of assets. It's not just about confirming what's there; it's about ensuring the integrity and accuracy of the company's financial reporting," he advised. This step ensures that the valuation of inventory in financial statements is accurate and substantiated by actual stock levels, thus preventing discrepancies and potential financial errors.

Compliance is another area that he emphasized. Adhering to relevant accounting standards such as GAAP and IFRS, as well as compliance with tax laws and SEC regulations, is non-negotiable. This ensures that the organization remains legally sound and maintains its credibility. Hand in hand with compliance is the preparation of complete and accurate financial statements. Pocrnich advised that these documents represent the organization's financial integrity, and they should be prepared meticulously to provide a clear base for the audit.

Communication with auditors is another important key to a successful audit. Pocrnich encouraged maintaining an open line of communication, being ready to explain accounting methods, anomalies, or transactions. He explained that this facilitates mutual understanding and contributes to the effectiveness of the audit. Throughout his roles, including as a Controller and as a Finance Manager, Pocrnich has advocated for thorough audit preparation. His extensive use of accounting principles like GAAP, FASB, and GASB has been instrumental in his approach to financial accuracy and leadership.

In his current role, he oversees accounts payable, payroll, and financial compliance with a systematic approach. He emphasizes that successful audit preparation is a fundamental professional responsibility that underscores an organization's commitment to transparency and strategic foresight. Mike Pocrnich's message is straightforward: diligent preparation, strict compliance, and clear communication are imperative for a successful audit. These principles enable businesses to demonstrate financial clarity and uphold a standard of trust and quality in their corporate practices.

About Mike Pocrnich

Mike Pocrnich is an accounting professional with over 20 years of experience, primarily in non-profit accounting, auditing, and financial analysis. Based in the Minneapolis area, he holds a BA in Accounting from St. John's University. In his early career as a Senior Auditor at CliftonLarsonAllen, Mike managed non-profit audits, developed internal controls, trained junior staff, and presented financial reports to leadership. He is known for his financial forecasting, reporting, and analytical skills, as well as his proficiency in various ERP and CRM software, including the Microsoft suite. Currently, as a Finance Manager at Element Financial Advisory, Mike Pocrnich provides CFO and Controller services for a range of clients, from government and non-profit organizations to entities with revenues exceeding \$20 million. He specializes in financial forecasting and manages all aspects of state and federal grant administration. His prior role as Controller at Beltz, Kes, Darling & Associates (now BerganKDV) involved similar duties and the leadership of annual audits and client financial facilitation. Mike's professional skill set includes staff management, client relations, and a high emotional IQ, making him a strong communicator and customer service expert. He efficiently oversees accounts payable, payroll, and financial compliance, leading his team effectively. Mike Pocrnich's extensive use of accounting principles like GAAP, FASB, and GASB throughout his career demonstrates his commitment to financial accuracy and strategic leadership. His experience and approach position him as a key resource for organizations looking to strengthen their financial practices and oversight.

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