



## Step 1

### Getting started with thinking about Accreditation: What to Expect...

#### **Tips from the Reviewers**

Presented by Bill Barnes, CPA

**1 How do I select a CPA?**

There are three credentials to review when selecting a CPA:

- ✓ Every CPA must meet the standards of a peer-review once every 3 years, and receive an unqualified opinion.
- ✓ Every CPA must be qualified to perform "Agreed-upon-procedures" engagements.
- ✓ It is important, but not essential to choose a CPA that has had previous experience with AMC Institute Accreditation Reviews. If you need help finding a CPA with this experience you can contact AMC Institute staff for assistance.

**2 Do all my AMC clients need to have a financial audit prior to pursuing the AMC Institute Accreditation Process?**

No, but AMCs should propose to Client Boards the need for an outside independent review or audit. It is necessary to document this proposal annually so it can be verified by the CPA during the Accreditation Review.

**3 Do all my AMC clients need to be on the accrual basis of accounting?**

AMC's must have procedures in place to ensure that financial statements are presented in accordance with generally accepted accounting procedures - or on the accrual basis. AMC's must propose to client boards that they use accrual basis accounting, if not already doing so. This should be documented annually, in the minutes or in a letter, so the reviewer can verify.

**4 Does my AMC need to document our AMC's policies and procedures in writing?**

Yes. It is important that these policies and procedures accurately depict your AMC's office procedures.

**5 What if we do not have a policy or procedure that addresses one of the standards?**

If you do not have a current policy or procedure that addresses one of the new standards you may need to implement one. Be sure to communicate this new policy or procedure to all members of your office.

**6 How do I prepare for the review?**

A suggestion would be to setup binders and/or bankers boxes cross referencing each item of the standard to your policies and procedure manual. It is important to provide actual documents, when applicable, for the reviewer to examine. Files may be shared with the auditor in electronic format.

**7 How do I prepare my staff for the reviewer's interviews?**

Thoroughly review the AMC's policies and procedures with the entire staff. It is helpful to have staff sign-off to ensure that each staff member has read and understands the policies and procedures.

**8 How do I minimize the cost of the review?**

It is important to organize your materials so that the CPA can easily verify that your policies address the standard. Make sure the AMC staff is familiar with the policies. Also, selecting a CPA that has already worked on another Accreditation Review may be beneficial.