

## Top 10+ Tips for Managing An Audit: When the Suits Come in the Door

1. Be cordial, have the Auditors register their names/agency etc., and ensure you have verified credentials.
2. Invite the Auditors to wait in a conference room or office, while you gather your thoughts and collect your team of individuals that will be working with the audit.
3. Ensure that there is a single person in charge for the company who will be asking / fielding questions.
4. Never meet with an auditor alone, always have a witness to help take notes and record what is said or implied.
5. Auditors sometimes come in expecting to jump in with both feet, but you have a right to slow things down - which is ideal. The slower, the better! Simply state that you will need more time to pull information. Generally, you will be able to supply requested documentation after the auditors have left the building.
6. Based on your knowledge and competency of the subject matter, ask questions regarding regulations and source documents. Do not appear to be ignorant of regulations, but also do not allow the auditor to overstep their boundaries - which they tend to do. Auditors are not courts, and most agencies do not have adjudicatory powers. They often imply in their discussion with those being audited that they are “deciding” one way or another. So, make certain you understand the extent of their authority
7. Offer direct answers to questions asked; do not offer up more information than is requested. If possible, do not suggest that you are out of compliance during the audit.
8. Remember the 'Plain Sight Rule' - which is; anything that is seen or comes up during the audit, which may fall outside the original reason for them coming, is fair game and will add to the auditors list of things to investigate. Audits can easily 'snow-ball'.
9. Call in legal counsel or consultants if you are concerned. In general, a consultation will be much less expensive than the pending fines, and well worth the investment.
10. Expect auditors! Your preparation for the inevitable arrival of “the suits” someday can help you better manage the situation:
  - Identify a point person to be the primary contact when auditors arrive.
  - Provide a workspace that is comfortable, well-lit and can accommodate auditors using their computers/laptops and phones. If possible, for a multi-day audit, assign one work room – don't bounce auditors from one space to another.
  - If you've received advanced notice of the audit, have everything available that has been requested, in good order. Looking organized and efficient sets the tone for them to trust your work.

## #10 (con't) Expect auditors!

- If there is any chance auditors will need to speak to your employees, brief those employees on what they might expect and what to do if they don't know the answer to a question.

Finally, if you do get assessed any penalties, you can almost always negotiate the amount or request a waiver of the penalty. Any audit experience is a way to learn how to do things better!

## ABOUT THE PANEL

### **Eric Goertz**, VP of Operations, Capco, Inc.

Eric graduated from the University of Arizona with a BS in Mechanical Engineering in 1988. He possesses twenty-seven years of professional experience, twenty-five years with Capco, Inc. His experience includes all elements of manufacturing operations management including production, procurement, engineering, quality assurance, sales and business development. He has been VP of Operations at Capco for the past eighteen years overseeing a 150+ person manufacturing environment. Eric is currently the Chairman of CAMA-West.

Company website: [www.capcoinc.com](http://www.capcoinc.com)

Contact: 970-243-8480 ext 150, [e\\_goertz@capcoinc.com](mailto:e_goertz@capcoinc.com)

### **Laurie Schlauger**, Controller, Munro Companies, Inc.

Laurie is a 1980 graduate of (then) Mesa College. She was a partner in a CPA firm in San Mateo, California for 15 years before returning to Grand Junction in 1997. Since that time, Laurie has been the Controller for Munro Companies, Inc. Laurie is an active volunteer in the community and enjoys spending time with her grandson.

Company website: <http://www.munrocompanies.com/Home>

Contact: 970-263-2233, [lschlauger@munrocompanies.com](mailto:lschlauger@munrocompanies.com)

### **Michael Santo**, Bechtel and Santo, LLP

Michael Santo is a founding partner of Bechtel & Santo. The partners formed Bechtel & Santo to provide employment-law services for businesses. The firm's attorneys represent private and governmental entities, and profit and non-profit businesses throughout Colorado regarding all aspects of the employer-employee relationship.

Company website: <http://www.bechtelsanto.com/>

Contact: 970-683-5888, [santo@bechtelsanto.com](mailto:santo@bechtelsanto.com)

### (moderator) **Carlene Goldthwaite**, Create Real Growth

Create Real Growth specializes in improving business results through highly effective, equitable, and sustainable people practices. With a background in organizational effectiveness and human resources, Carlene has worked with Boards, senior leaders, safety and HR managers on everything from strategic planning and project management to personnel policies and staff training. When not making organizations more successful, Carlene can be seen trading the boards in local theatrical productions.

Company website: [createrealgrowth.com](http://createrealgrowth.com)

Contact: 970-250-2927, [carlene.goldthwaite@gmail.com](mailto:carlene.goldthwaite@gmail.com)