

# 2026 AI Audit Risk Checklist for Professional Service Firms



## Business Structure & Reporting

- Monthly bookkeeping is completed consistently and on time
- Balance Sheet accounts are reconciled monthly
- Payroll filings align with payroll expense reported on financial statements
- Officer loans and shareholder distributions are documented properly
- The business maintains a consistent and organized Chart of Accounts



## Potential Audit Triggers

- Revenue and payroll trends are explainable and operationally consistent
- Large increases in expenses are supported with documentation
- Rounded numbers are limited across bookkeeping and tax filings
- 1099 filings reconcile to contractor expenses in the bookkeeping file
- R&D or specialty deductions are supported with detailed documentation
- Meals, travel, and vehicle expenses include business-purpose support



## DIY & System Risk

- Expense categorization follows a documented process
- Online tax strategies have been reviewed by a CPA or advisor
- Business and personal expenses are separated consistently
- Supporting documentation is maintained for major deductions
- Financial reports are reviewed throughout the year instead of only during tax season



## Strategic Protection Measures

- Quarterly tax alignment reviews are performed
- Payroll ratios are monitored regularly
- Accounting policies and procedures are documented
- Documentation is stored in a centralized system
- KPIs and financial trends are reviewed quarterly
- The business works with an advisor who evaluates both compliance and strategy



## Worksheet & Scoring Summary

Score each item using the scale below:

- 2 = Fully Implemented
- 1 = Partially Implemented
- 0 = Not Implemented

Total Score: \_\_\_\_\_

### Score Interpretation

40–44 = Strong Reporting Alignment

25–39 = Moderate Risk Exposure

Below 25 = Elevated Risk Exposure

## Top Risk Areas Identified

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