

# Things to Expect in a Franchise Audit

## 1. Notification and Preparation

Typically, you'll receive notice from the franchisor that they've scheduled an audit. They will outline the documents and information you'll need to prepare. These typically include financial statements, point-of-sale reports, marketing expenditures, and royalty payment records.



## 2. Visitation and Review

An auditor may visit your location in person or request remote access to your systems. They'll review your gross sales figures, cross-reference them with bank deposits and sales records, and verify the accuracy of royalty and advertising fees. If you run multiple promotions, offer discounts, or have non-traditional revenue streams (like catering or delivery), the auditor makes sure you've properly documented and reported them.



## 3. Observation and Reporting

Operationally, the auditor may observe your processes, customer interactions, and compliance with branding standards. This isn't a "gotcha" exercise. They're helping maintain the brand's consistency and health across all locations. You'll typically receive a post-audit report summarizing findings, along with any recommendations or required corrections.

