



ProSystem *fx*<sup>®</sup>

Raising the Bar on  
Audit Efficiency

Devin Houlihan, CPA (inactive)  
National Accounts Manager

June 7, 2011

 CCH<sup>®</sup>  
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# Today's Agenda

- Introduction
- Course Objectives
- Discuss Auditing In the Past & the Evolution of the Tools
- Discover the Latest in Tools
- Questions & Answers

# Introductions

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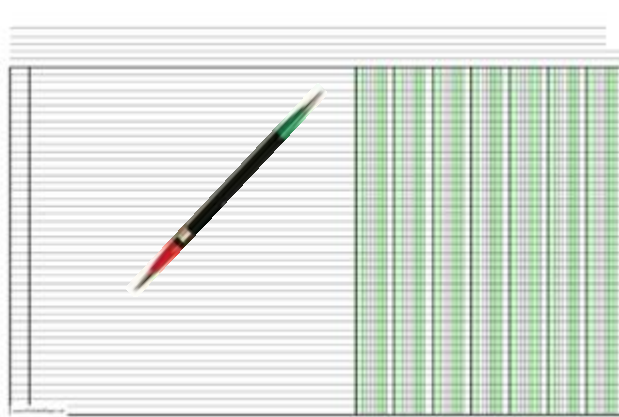
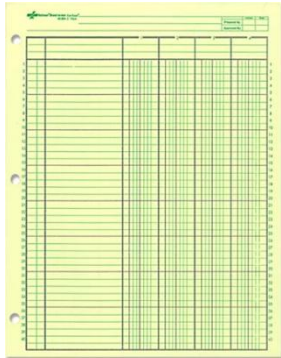
Phone/Fax: (877) 426-3407

[devin.houlihan@wolterskluwer.com](mailto:devin.houlihan@wolterskluwer.com)

# Course Objective

- Methods for streamlining the entire audit process
- Discuss risk-based planning thru final signoffs
- Drive efficiency, compliance & accuracy
- Explore various tools used in the A&A process

# Memory Lane



# Pack Up & Go To The Client




# Early Evolution



# Early Software

## Accountant's Trial Balance Software (ATB)

 GoSystem Audit

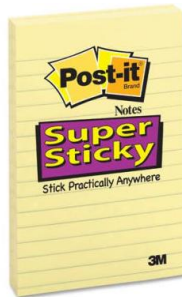
## TRIAL BALANCE CS

A:A1: 'EMP' Worksheet Range Copy Move File Print Graph Data System Quit  
Global Insert Delete Column Erase Titles Window Status Page Hide

A	B	C	D	E	F	G	
1	EMP	EMP NAME	DEPTNO	JOB	YEARS	SALARY	BONUS
2	1777	Azibad	4000	Sales	2	40000	10000
3	81964	Brown	6000	Sales	3	45000	10000
4	40370	Burns	6000	Mgr	4	75000	25000
5	50706	Caeser	7000	Mgr	3	65000	25000
6	40602	Curly	3000	Mgr	5	65000	20000
7	34791	Dabarrett	7000	Sales	2	45000	10000
8	84984	Daniels	1000	President	8	150000	100000
9	59937	Dempsey	3000	Sales	3	40000	10000
10	51515	Donovan	3000	Sales	2	30000	5000
11	48338	Fields	4000	Mgr	5	70000	25000
12	91574	Fiklore	1000	Admin	8	35000	---
13	64596	Fine	5000	Mgr	3	75000	25000
14	13729	Green	1000	Mgr	5	90000	25000
15	55957	Hermann	4000	Sales	4	50000	10000
16	31619	Hodgedon	5000	Sales	2	40000	10000
17	1773	Howard	2000	Mgr	3	80000	25000
18	2165	Hugh	1000	Admin	5	30000	---
19	23007	Johnson	1000	VP	1	100000	50000
20	7166	Laflare	2000	Sales	2	35000	5000

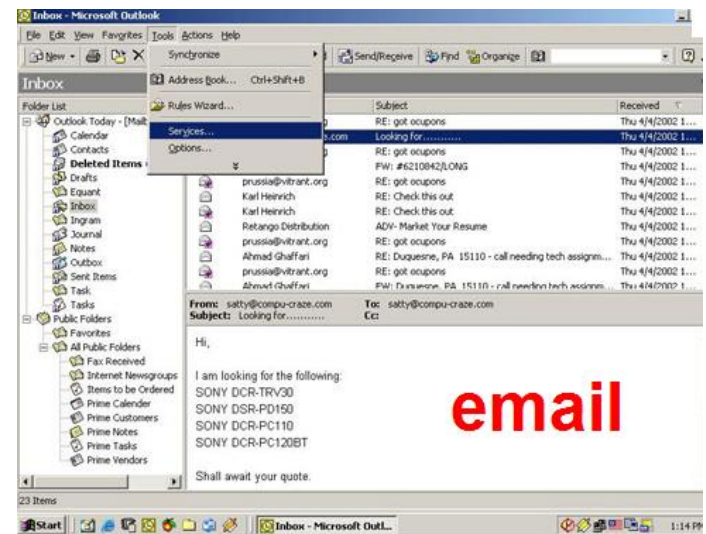
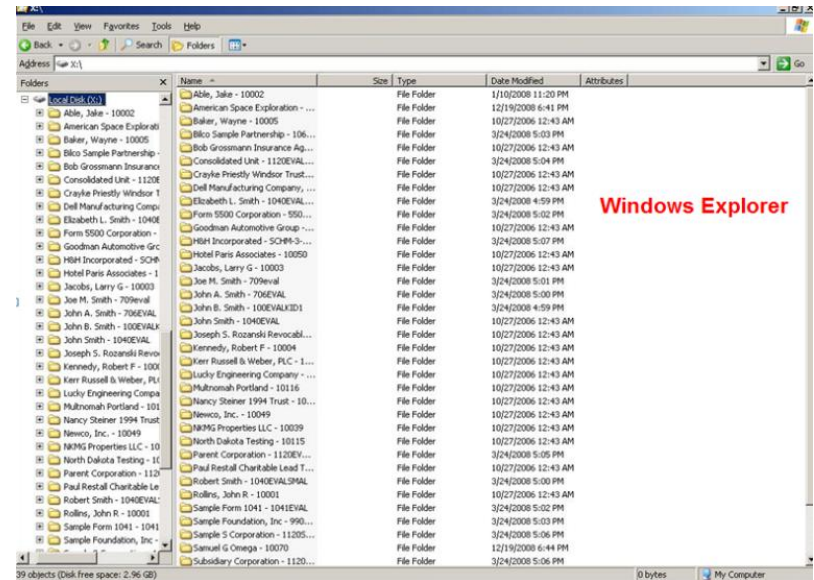
DATA.WK3

## ProSystem fx® Trial Balance



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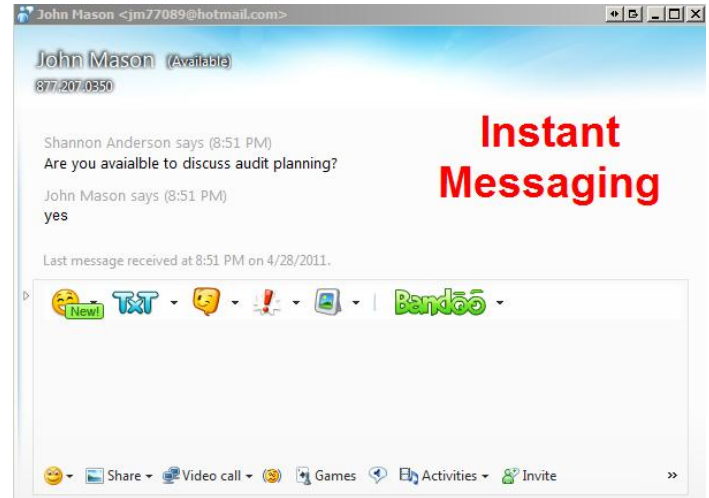
# Continued Evolution



# I CAN'T TAKE THIS!!!



# Recent Evolution



Engagement WP Resources Inc. AUD [12/31/2009] (In Process)

12345 - Engagement WP Resources Inc.

Task Name	Status	Start Date	End Date	Due Date
01.01 CX-3 Audit Planning Form	SS	4/27/2009	MM 4/27/2009	4/18/20
01.02 CL-1 Audit Engagement Letter	SS	4/27/2009	MM 4/27/2009	4/18/20
01.03 CL-24 Legal Representation-Info Provider	SS	4/27/2009	MM 4/27/2009	4/18/20
01.40 Signed Engagement Letter	SS	4/27/2009	MM 4/27/2009	4/18/20
01.50 Ratio Analysis	SS	4/27/2009	MM 4/27/2009	5/26/20
01.52 Prelim Analytical Report Expanded	SS	4/27/2009	MM 4/27/2009	JP 4/27/2009 5/19/20
01.55 Prelim Analytical Report	SS	4/27/2009	MM 4/27/2009	JP 4/27/2009 11/1/20
KB01.01 KBA-302-Understanding the Entity and	SS	4/27/2009	MM 4/27/2009	10/22/2
A.01 Cash Lead Sheet	GS	4/27/2009	SS 4/27/2009	7/9/200
A.02 AUD-801-Audit Program-Cash				10/22/2
A.04 Bank Confirmation				4/27/20
A.15 AP-2 Audit Program for Cash				4/1/200
A.50 KBA-403 Activity-Level Controls - Cash Re				10/22/2
A.56 Restricted Cash Information				6/7/200

The Move To Paperless Workpaper Management



# Internet Based Evolution

Checkpoint® History | Options | My Folders | Time Tracking | Help | Sign Off

Home Research Newsstand Tools Practice Development CPE

Search | Table of Contents

Search

Practice Area: Federal

Keyword Search

Find by Citation: Code & Regs, Cases, Rulings/IRB, IRS Pubs & Other Tax Docs, Citator 2nd, More...

Date Range Search

Legislation Search

WG&L Tax Dictionary

Go to: Bridge-It, Form/Line Finder, i-Tables, Indexes, Tax Watch, USTR Code Section, e-Form RS, PPC Install/Update, WG&L Install/Update

1 Enter Keywords: casualty loss deduction flood

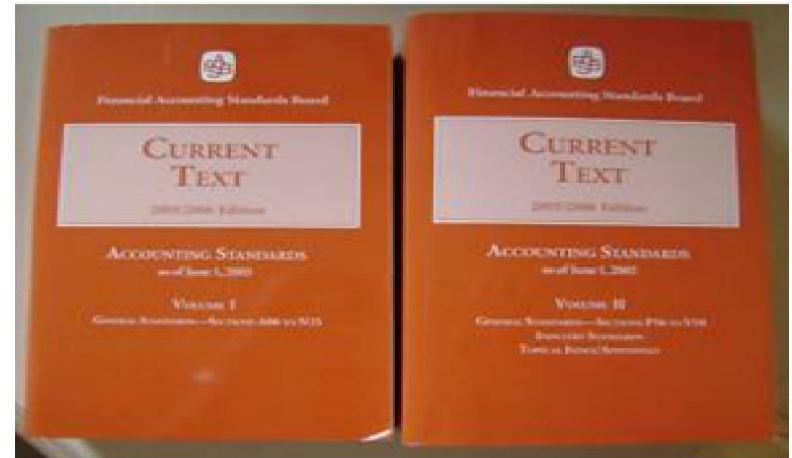
2 Choose Sources from: All Federal Save

3 Thesaurus/Query Tool Search Clear All

Editorial Materials: Citator 2nd (RIA), Elections & Compliance Statements (RIA), Federal Tax Handbook (RIA), PLI Federal Tax Publications, Federal Tax Coordinator (RIA), Form/Line Finders (RIA), PPC's Federal Tax Compliance Library, PPC's Tax and Financial Planning Library, Quick Reference and Preparation Tools (PPC), Tables & Rates (RIA), Tax Advisors Planning System (RIA), Tax Alerts (RIA), Tax Planning and Practice Guides (Special Studies) (RIA), Tax Desk (RIA), United States Tax Reporter - Annotations (RIA), United States Tax Reporter - Explanations (RIA)

Primary Source Materials: Internal Revenue Code, Treasury Regulations, Committee Reports (RIA), Current Pending/Enacted Legislation (RIA), Federal Tax Cases (RIA), IRS Practice (RIA), IRS Publications (RIA), IRS Rulings and Releases (RIA), U.S. Tax Treaties in Force (RIA)

Legislation (Editorial Analysis and Source Material): Complete Analysis of the American Recovery and Reinvestment Act of 2009, 2008 (RIA), New Law Special Studies (1999 - Current Year) (RIA), 2007 (RIA), 2006 (RIA), 2005 (RIA), 2004 (RIA)



IntelliConnect - Mozilla Firefox

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Opinion on Copyright - Opdstein

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Browsing through your content

All of the content available in your subscription is listed in the tree in the left pane.

Browsing your content:

- Click through the browse tree in the left pane using the + and - icons until you reach the desired area. You can use the arrow buttons between the windows to move the panes for easier viewing.

Searching content within Browse

You can target specific content to search right within the Browse tree.

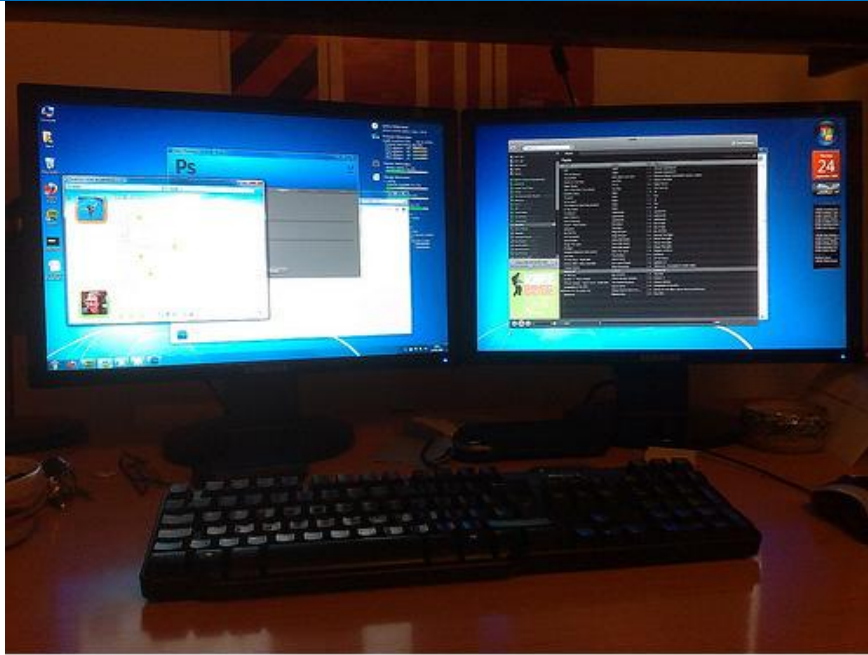
Searching specific content:

- Click the checkboxes next to the content you want to target to search. You'll notice that the search scope box will automatically change to "selected content".
- Type search terms in the search box.
- Click Go to run your search.

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# Hardware Improvement

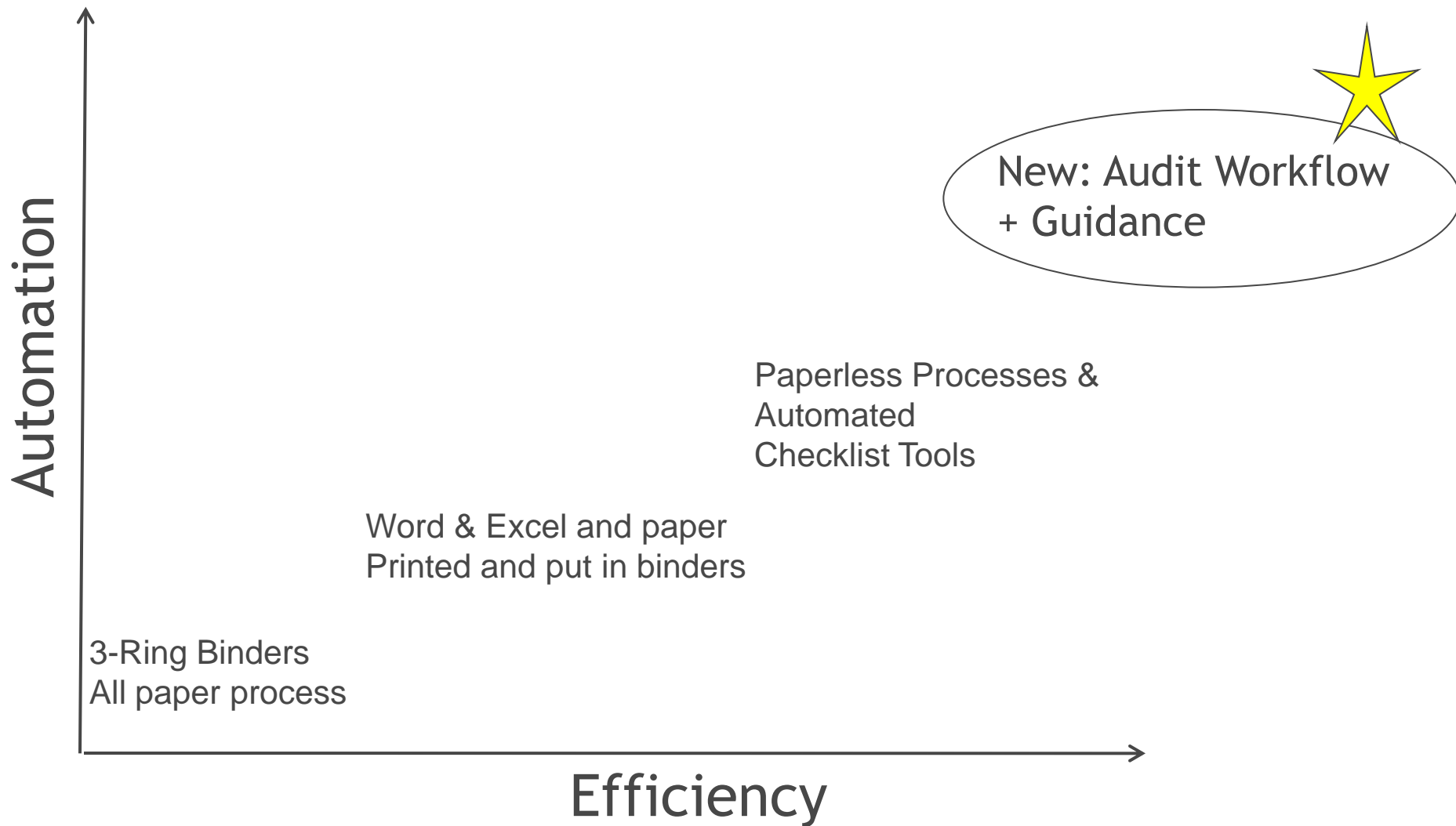


# Mobile Solutions

The screenshot shows the website for Mobile Monitor Technologies. The main heading is "Field Monitor Pro" with the tagline "The perfect dual monitor for audit field work." Below this are two buttons: "Learn More" and "Order Now". The page features a laptop in "Keyboard mode" and a monitor in "Stand mode". A "DisplayLink certified" logo is visible. A testimonial box states: "This is not a laptop, it's a portable 15.4" monitor. And it will make your audits more productive. See how it works!" Below the main image are four small images illustrating different use cases: 1) "Field Monitor Pro is the only portable monitor of its kind. With its slim profile and light weight, it slips easily into an auditing or business bag." 2) "Field Monitor Pro simply plugs into a laptop's USB port for immediate use. Its built-in numeric keypad makes data entry a snap." 3) "With its portability and bright 15.4 inch color display, Field Monitor Pro is the perfect dual monitor for audit field work." 4) "Dual monitors make accounts more productive. The affordable Field Monitor Pro makes it easy to bring that efficiency into the field."



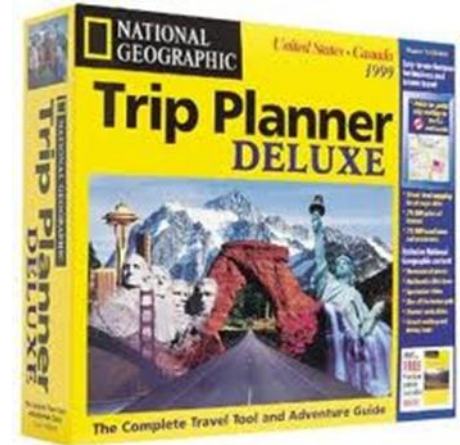
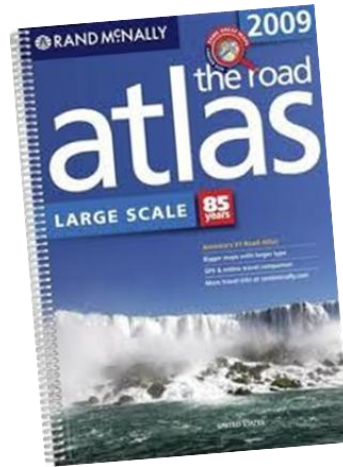
# Evolution of Audit Tools



# Change in Auditing Approach

- Linear /Check List Approach
- Risk -Based Audit Standards
- Iterative Approach
- Codification

# Navigating an Audit - Yesterday vs. Today



# What's Driving This Need?

- Rapidly Changing Standards
- Quality Demands
- Efficiency Demands
- Fee Pressures
- Young Staff are Looking for Technologically Advanced Firms

# Rapidly Changing Standards

- Increased Audit Documentation Requirements
- Risk Assessment Standards effective in 2007
- Audit Sampling Guide - May 2008
- Various Other FASBs and Standards
- FASB Codification in 2009
- AICPA “Clarity” project effective Dec 2012

# Increased Quality Demands

- SQCS 7 quality control standards - 2009
- PCAOB Investor Advisory Group pushing for transparency and quality enhancements
- Risk Assessment Standards (SAS 104-111 & PCAOB AS 8-15)
  - Emphasis on Planning
  - Need to Link Risks to Audit Procedures
- Public trust & investor confidence
- Objectivity demands / SOX
- Competitive pressures

# Improving Effectiveness & Efficiencies of Audits

- Implementing an Integrated A&A Solution
- Workpaper Automation
- Built in Guidance
- Ease of Updating Audit Programs with New Content Changes
- Customization of Audit Procedures
- Ability to Roll Forward Programs From Year-to-Year

# What is the Knowledge-Based Audit Approach?

- CCH's risk-based audit methodology
- Developed in conjunction with the risk assessment standards
- Focus on changes from prior year to assess risk
- Links procedures to risk assessment
- Delivered with Knowledge Coach & Knowledge Tools
  - Accepted by AICPA Peer Review Committee

# Components of the Knowledge-Based Audit

- Pre-engagement Procedures
- Obtaining an Understanding of the Entity and its Environment
- Evaluating the Design of Internal Controls
- Assessing the Risks of Material Misstatement
- Performing Audit Procedures in Response to Assessed Risks
- Tests of Operating Effectiveness of Internal Controls
- Substantive Tests
- Evaluating, Concluding, and Reporting Procedures
- Audit Documentation Requirements

# Knowledge Based Audit Methodology (KBA)



# What is Knowledge Coach?

- Audit Programs
- Checklists
- Practice Aids
- Sample Reports
- Correspondence
- Diagnostics and Feedback
- Allows addition of risks and other changes on the fly, and supports customizations that can be saved and re-used
- Contains contextual tips and links to authoritative guidance in ARM

# Benefits of Integrated & Automated Programs

- Utilization of Tailoring Questions
- Financial and assertion level risks
- Program Step Library links to risks
- Extensive diagnostics
- Data flows to all workpapers
- Direct links to research
- Roll forward capabilities

# Day In the Life of an Auditor... Using These Solutions

# Recap

- ProSystem fx Engagement
- ProSystem fx Knowledge Coach
- ProSystem fx ActiveData
- Accounting Research Manager (ARM)
- ProSystem fx PDFlyer
- ProSystem fx Portal

# Contact Information

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