



Technology Guide for Preparation, Compilation and Review Engagements



Table of Contents

Overview.....	3
Engagement Setup and Build	4
Collaboration	5
Security	6
Integration of Methodology and Deliverables	7
Cloud Ecosystem	8
About CPA.com and AICPA	10

Overview

The typical practitioner is challenged with discovering and assessing relevant technology for their business, and it can take away from the firm's capacity to service clients as well. In assessing the technology landscape of the profession, CPA.com and the AICPA have identified key performance factors for technology that will give firms a competitive advantage in how they approach preparation, compilation and review engagements. This document outlines those areas, providing some detail and context, and suggests specific actions to take to streamline your processes and procedures.

Much of the ongoing market research done by CPA.com and the AICPA eventually led to a technology partnership with CaseWare International, and the challenges facing the profession around prep, comp and review work have provided the foundation for the approach to creating and evolving [OnPoint PCR](#) on the CaseWare Cloud platform.

When looking for technology to help drive efficiency, quality and value in prep, comp and review engagements, here are five key areas for you to evaluate:



Engagement Setup and Build



Real-time Collaboration Process



Security



Integration of Methodology and Deliverables



Cloud Ecosystem



Engagement Setup and Build

Traditional Methods

Many firms are using guidance and tools that start with a full set of procedures and steps that staff need to tailor out to what is applicable for a client's situation. This process can be time consuming, and it makes firms more susceptible to doing more work than is required on engagements. This tendency to "overwork" engagements might stem from a few places: fear of challenging the status quo of how the work is done, concerns around possibly not meeting professional standards, and the desire to keep things moving and "just get it done."

How to Evolve Through Technology

When evaluating your processes and the appropriate technology to help, look for something that will start with a clean, simple engagement setup and provides helpful guard rails that help tailor in relevant steps and procedures that prevent less experienced staff from making egregious mistakes in their work. The engagement file can and should be built as you work through initial engagement acceptance criteria, and technology should provide a process that enables people of varying levels of experience to proceed with more confidence and clarity around the approach being built. By doing so, you can realize these benefits:

- Reduction of "same as last year" (SALY) and roll forward bias
- More focus on the current client situation and engagement build based on that criteria
- Less breakdown of momentum in the engagement
- Improved realization rates
- More effective engagements through the reduction of overworking engagements

Recommended Actions

- Review your engagement workflow and document opportunities to improve efficiency, quality, and value. Start by shadowing the work done on live engagements and look for places where processes can be standardized and the client experience can be improved.
- Take notes as you evaluate your workflow so you can review everything later. It's also important to attempt to identify places where you are likely performing work that is beyond the scope of the engagement.
- If possible, also seek an opinion from outside of your firm (i.e. consultant, newer hire) regarding opportunities to improve your workflow.
- Use all of your notes and recommendations to drive technology requirements as you evaluate systems that can help.



Collaboration

Traditional Methods

Many firms are using somewhat outdated methods for both internal and external collaboration on engagements. Firms are still primarily managing requests for client documentation by email, with many keeping a manual checklist of required documentation. The checklist typically gets copied from year to year or, when new clients are added, is copied over from a similar client, then tweaked appropriately. For internal collaboration, many firms still rely on review notes and emailed handoffs to keep engagements moving forward, which can slow momentum with too many stop, start, and wait moments.

How to Evolve Through Technology

Working through a reliable cloud platform, there are several advantages in how you can collaborate within your team and with clients:

- Real-time transparency into engagement status for team members
- A single source of data that eliminates the need to check files in or out – everyone can work together
- Secure, online chat to facilitate team and client communication
- Standardized templates to ensure a consistent approach across the firm and clients
- Tools to facilitate centralized communications with clients around PBC document requests and inquiries

Recommended Actions

Send out a survey to solicit your clients for feedback about their experience during a prep, comp and/or review.

- Ask them questions such as:
 - How clearly were you able to understand our instructions?
 - How easily were you able to find what we needed?
 - How convenient did you feel the process of gathering and sending everything to us was?
 - Were you able to easily keep track of the status of everything you needed to provide us for the engagement?
 - If you could improve anything about how we collaborate on these engagements, what would it be?

Beyond survey data, it would also be worth interviewing 2 or 3 clients to uncover more detail and context around their experience. In addition, consider gathering internal feedback from those working on the engagement.



Security

Traditional Methods

Firms may be challenged with keeping client data secure when clients themselves will send sensitive data to them using unsecured channels. Cloud services offer additional security measures that may be unreasonable to adopt into your firm's own security protocol, including data encryption and a more secured physical storage location. However, when it comes to evaluating the completeness of cloud service provider security measures, many firms are intimidated or unsure of exactly what to look for.

How to Evolve Through Technology

Choosing a cloud service provider can be a complex task given today's security concerns and the number of providers. The number of potential threats and the ever-increasing number of intrusion entry points can cause even security experts to feel overwhelmed. A robust cloud platform needs to be secure and provide protection from these potential threats. Cybersecurity is a critical mandate for firms of all sizes. As an example, CaseWare International has taken significant steps to ensure that CaseWare Cloud remains at the forefront of cybersecurity standards.

To help provide a holistic approach toward ensuring cybersecurity at your firm, CaseWare International has captured seven basic criteria to assess the strength of any cloud-based platform so that you can make the most informed decision about choosing a cloud service provider:

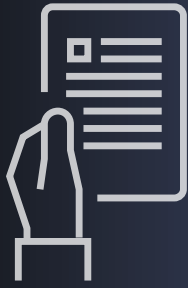
- Physical Security
- Application Security
- Network Security
- Data Security and Privacy
- Access Controls
- Availability
- Business Partnership and Trust

Leveraging the above when evaluating any cloud service provider, helps to ensure that you are putting your business in good hands. For additional details on how to navigate these seven criteria, visit caseware.com/solutions/cloud/security.

Also, many firms neglect to evaluate the security of how the delivery and distribution of reports to clients takes place at or near the end of an engagement. For many firms, this process involves multiple hand-offs and is not standardized, making it more likely for a security flaw to become exposed. These are among the reasons that CPA.com partnered with Confirmation to create [RIVIO Clearinghouse](#), a platform that protects reports from alteration.

Recommended Actions

- Use the above security framework to examine the total viability of your current software and service provider(s).
- Be diligent about doing a complete assessment.
- Look for areas of weakness so you know what to prioritize to meet your security needs.



Integration of Methodology and Deliverables

Traditional Methods

For many firms, methodology and deliverable creation are not at all integrated. The procedures performed and steps completed have no tied-in ability to automate drafting an engagement letter, financial statements, and reports. This usually means that, when the time comes to create a deliverable, you spend a fair amount of time going over procedures and steps to manually reconcile the work done with the language required in your deliverables. Many firms aren't even aware that there is technology that can automate an intelligence-based drafting of deliverables.

How to Evolve Through Technology

When investigating ways to leverage technology to automate the drafting of letters and reports, look for a tool that is integrated with your trial balance and methodology and leverages data already in your engagement. Products like OnPoint PCR, are capable of updating the language on deliverables based on the decisions and selections made during the engagement. One way or another, whether through new technology or updating your existing process, you should definitely consider how you might be able to better connect your engagement methodology to your process of drafting letters and other deliverables.

For many firms, Microsoft Word and Excel are the foundational products for creating deliverables, and in some instances you might be able to link data from an engagement product into documents or spreadsheets. However, ideally you can go beyond simple linking to something that will build out your deliverables through logic (i.e. automatically adds language to a letter based on how you have answered questions during engagement setup).

Recommended Actions

Examine how you draft engagement and/or representation letters today. Consider the following:

- Quantify the impact of better automating this process through technology.
- How long does it take to update these letters manually?
- How many of these letters do you have to create and send out to clients?
- How much estimated time does that require?



Cloud Ecosystem

Traditional Methods

Most firms are not standardizing on cloud technology throughout the entirety of their business. For instance, it is not uncommon for firms to use several different portal solutions for document exchange. For internal business applications, firms often leverage a single vendor offering a suite of cloud products. However, when it comes to cloud solutions that interact with clients, firms tend to use several different solutions based on client preference.

How to Evolve Through Technology

To really drive efficiency, quality and value in your prep, comp and review engagement process, you should look at the overall workflow involved in delivering these services to ensure that you are leveraging a complete, professional set of cloud-based tools where it makes the most sense. Examples of areas or applications that might fit into your process include:



OnPoint PCR

OnPoint PCR and CaseWare Cloud for collaboration, methodology and engagement management for preparation, compilation and review level services. OnPoint PCR combines AICPA methodology and guidance with CaseWare's dynamic cloud platform to transform how preparation, compilation and review engagements are done. OnPoint PCR enables firms to enhance engagement quality and efficiency through interactive checklists, integrated PBC request templates, and linked engagement letters and financials that update automatically as engagement information is updated.



Professional delivery, distribution and wrap-up management with **RIVIO Clearinghouse**, the private business financial document clearinghouse developed by CPA.com and Confirmation. It validates, authenticates and centralizes the financial document exchange between all stakeholders.

Recommended Actions

- Take inventory of all of the various tools that are used in your firm to support your prep, comp and review process.
- Note which tools are cloud-based and which are desktop/installation based. Also note how connected these systems are to one another.
- With this list in hand, reconcile it with the workflow analysis you did earlier (per the "engagement setup and build" action). Is there any part of the workflow that is manual that could leverage technology instead? Is there anything that leverages technology but not effectively?
- From this analysis, identify a primary opportunity for improvement through new cloud-based tools, then initiate an evaluation of those tools to better understand the ROI of a potential process improvement.

About CPA.com

CPA.com brings innovative solutions to the accounting profession, either in partnership with leading providers or directly through its own development. The company has established itself as a thought leader on emerging technologies and as the trusted business advisor to practitioners in the United States, with a growing global focus.

Our company's core mission is to drive the transformation of practice areas, advance the technology ecosystem for the profession, and lead technology research and innovation efforts for practitioners. A subsidiary of the American Institute of CPAs, the company is also part of the Association of International Certified Professional Accountants, the world's most influential organization representing the profession. For more information, visit [CPA.com](https://www.cpa.com).

About the American Institute of CPAs

The American Institute of CPAs (AICPA) is the world's largest member association representing the CPA profession, with more than 429,000 members in the United States and worldwide, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting. The AICPA sets ethical standards for its members and U.S. auditing standards for private companies, nonprofit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination, offers specialized credentials, builds the pipeline of future talent and drives professional competency development to advance the vitality, relevance and quality of the profession.

