

Process consistency, heightened efficiency and quality control yield stronger results

CPA.com and RIVIO Firm Success Story

How SingerLewak innovated its approach to audit report delivery to make its practice more efficient, reduce risk, and meet growing client needs

California-based SingerLewak is a large, multi-office firm that has been experiencing strong growth in recent years. But when it came to delivering audit reports, the firm was relying on a sometimes ad-hoc system that changed any given day based on a client request and the partner and team responsible for fielding it. *"We could see that there wasn't a uniform delivery method for financial statements, and we needed a way to eliminate that inconsistency,"* says Jeremy Dillard, a partner in the firm's Los Angeles office and the leader of the Practice Quality Center at SingerLewak.

Poised for growth, focused on quality control

Achieving a higher level of consistency and quality control was only becoming more important as SingerLewak continued to grow and expand into new areas. *"Starting in 1959, we focused on business management,"* says Dillard. *"Think Hollywood types — we'd help with their personal finances and tax returns."* But over the following decades, the firm was growing into a well-rounded practice with a robust suite of tax services as well as assurance services — audits, reviews and compilations. They were also expanding into consulting services, helping clients with everything from valuation and technology to tax credits and incentives — even brand management. As a result, SingerLewak's client roster was swiftly diversifying — in addition to celebrity clients, the firm was on its way to having a true cross-industry client list. But inconsistent processes threatened to slow the firm's growth by creating an inefficient, time-consuming, sometimes risky approach to this core function of the audit practice. Firm leaders knew they needed a better way to control quality without slowing growth.

Success Story Overview

Top 100 firm finds a solution to standardize audit report delivery and control quality

Challenges:

- Lack of a uniform delivery method for financial statements and documents
- Relying on inefficient, time-consuming approaches
- Risk of clients misstating the service provided to lenders (or even altering a report)
- Inefficient withdrawals and reissues

Benefits with RIVIO:

- Consistent, uniform processes for audit report delivery across the practice
- Increased efficiency and quality control
- Improved client experience and access so clients can easily share documents with any third parties
- Reduced risk
- Withdrawals (and restatements) are controlled, efficient and tracked

The obstacle: Ad hoc audit report delivery practices

"Without standardization, we were encountering a range of challenges," says Dillard. *"Auditing teams would prepare a digital copy to the engagement team, who would most likely just end up emailing it directly to clients. We eventually started sending encrypted emails and using secure portals for delivery, but we still never had a single standardized process or easy way to track how all this was being handled by our client teams. Even though we had firm policies, we just couldn't monitor whether or not they were being followed every time."*

Withdrawals and reissues were also a growing problem. *"We would notify clients that we were reissuing a report, informing them that they needed to follow requirements as best they could,"* says Dillard. *"As required under professional standards, it was all falling to the client. And often, they weren't*



Firm profile: Nationally recognized, working within many sectors of the business world. Whether it's auditing, accounting, tax preparation, business management, SEC filing and transactions, SOX compliance, enterprise risk management, forensic accounting, business valuation, litigation support, consulting, or entrepreneurial business services, SingerLewak has the expertise to help.

Niches served: Cross-industry

Locations: 10 offices — 8 in California, 1 in Colorado, 1 in Nevada

Staff: 350–400

cooperative." All firms have experienced uncomfortable and inefficient withdrawals and restatements and SingerLewak was no different. However, they were determined to gain control of withdrawals and address a longstanding industry-wide challenge.

The RIVIO Clearinghouse era

Ultimately, firm leadership decided to adopt RIVIO Clearinghouse. "We were looking for a way to eliminate all that inefficiency," says Dillard. "RIVIO was the solution we thought could help us do it best." RIVIO has introduced consistent, uniform processes that are helping the firm reach new levels of quality and efficiency, even as it grows and adds more value to client engagements.

"Today, an editor releases the report to the engagement team," says Dillard. "The manager or partner just uploads it to RIVIO and pushes it out to the client from there. We can track everything, and everyone follows the same process."

Along the way, the firm has cultivated a valuable body of knowledge about RIVIO, opening the door to information sharing and best practices across the entire firm. "Having one system is huge," says Dillard. "Whenever there's a question about RIVIO, everyone's familiar with the system, so we can tap into that body of knowledge and move quickly."

Client management runs more smoothly today, too. "There are so many times that a client will email us and ask for copies of old financial statements," says Dillard. "With RIVIO, we have a permanent online repository of this information that clients can easily access themselves, without having to call us. It's better for us — and better for them."

Risk management is another key benefit of SingerLewak's RIVIO-based approach. "Sometimes, clients would send a copy of the financials to a lender and misstate what we'd done for them," says Dillard. "For example, they'd refer to us as 'their auditors,' when in reality we were engaged to perform a compilation or review. In other cases where we were their

auditors, they might ask us to send a copy of the audit report directly to a third party, which could cause a privity issue. In cases like these, now it's easy to remind them that it's all in RIVIO and they can share the documents themselves without our having to worry about the reports being altered along the way."

Withdrawals (and restatements) are now a one-step, controlled and tracked process, further reducing the risk for the firm as well as for the client and third-party users of the financials.

Expanding on their success

SingerLewak's adoption of RIVIO in its audit practice has been so successful that the firm is planning to expand its usage to other parts of the firm. "RIVIO has been so successful in bringing uniformity to our audit practice that we plan to roll it out to our tax and valuation practices at the end of the year," says Dillard. "That way, by this time next year it will have become the standard for all of us."

Would Dillard recommend RIVIO to CPA firms facing similar challenges? "I tell other leaders to evaluate what they're doing now and how well it conforms with best practices in the industry," he says. "How are they handling privity, for example? How are they managing risk? I think a lot of them will conclude that their current practices have a lot of room for improvement — and RIVIO can play a big role in getting them on the right track."

"We're always trying to be early adopters of technology — where it makes sense. For us, having the right technology in place can serve as a growth enabler while giving us a competitive advantage."
— Jeremy Dillard, partner

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