



Case study

CCH Audit Automation

Kirk Rice

The Ascot office of Kirk Rice are home to five partners and around 40 staff. Audit forms an important part of the firm's overall accounting, audit and tax service. A dedicated team of six staff and three partners deals with a number of audit clients who cover the full range of companies, charities, clubs and trusts.

When the new ISA rules were introduced it was obvious that auditing would involve a lot more documentation. It would no longer be enough to say that you had sufficient evidence to back up your audit opinion; there would be a much stricter requirement to document the systems and controls that firms had in place, and to collect and record background information. Plus, of course, there would be all those extra regulations and new audit standards to learn.

We decided that the most efficient way to handle the extra work was to computerise the audit process. The market was becoming increasingly competitive and, to allow us to compete, we decided we needed this tool to make us more effective. We expected some firms to struggle with ISA and either review practices or be forced to exit the market. We didn't want this to happen

to us - we wanted to be able to continue to offer quality audit services to our clients. Having the software has indeed helped us to deal with the additional workload and we've even picked up a number of new audit clients from local firms.

Because we implemented the software around the same time that the ISA rules were introduced, it's hard to directly compare the amount of work we're doing now with the amount of work we did before, though I'd say it has saved time overall. There's certainly a lot more risk assessment, systems notes and documentation under the new regime and I think if we were still using manual methods now we'd be finding it quite tough to record all that extra detail.

In the first year we dealt well with the inevitable earning curve and we've now moved on to rolling data forward and tweaking all the risk assessments and the system and control notes. As a result, we're now seeing some real efficiency benefits each year.

When you use a manual method you're basically starting from scratch each year for non-permanent detail. The software not only gives you a starting point, it also provides a bit of structure to both the planning and the actual audit work, which is helpful.

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We used the PCAS methodology when we were doing the work manually and we bought the PCAS Master Pack for CCH Audit Automation so that we could continue to use this when we computerised the audit function. The manual and computerised systems are very similar and this has helped the transition. Staff have taken very well to the software.

We're going paperless throughout the office and audit files were a big part of that. Reducing the amount of paper used in the office has allowed us to become more efficient on the audit which means we can focus on the bits of the audit that really matter.

The update to the Clarified ISA version of the software was not as difficult as we expected because the software had, in effect, already incorporated most of the Clarified ISA requirements before they became mandatory.

Given all the hype in the accountancy press we were expecting the new ISAs would mean significant additional costs for us. In fact this didn't happen and part of the reason for that is the efficiency of the software."

Tim Neale
Audit Manager

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