XCM®

AUDIT USE CASE

ARMING FIRMS WITH **SMART TECHNOLOGY** TO ACHIEVE THE **AUDITING OF THE FUTURE**

The Background: Delivering Efficiency and Quality

The rapid evolution of technology continues to push audit firms to deliver unprecedented efficiency gains along with the highest quality audits. This movement, termed Auditing of the Future,* is what leading firms strive to achieve — with the understanding that technology spurs quality.

This new culture of audit innovation is characterized by agility, visibility, control, and creativity, and delivers deeper insights and greater client value. In this new age of audit, there is a requirement for firms to stay engaged with the latest technology trends. Embracing newer, smarter innovations allows firms to overcome common audit pain points and achieve automated, streamlined efficiency — leading to greater profitability. Advancements in the areas of artificial intelligence, predictive analytics, and automated workflow are at the center of the Auditing of the Future movement.

The Big Challenges

The audit process is comprised of multiple phases, making it one of the most complex services offered by firms. Key process areas that present some of the biggest challenges for firms include:

Pre-production phase (scheduling and planning) - This phase is one of the most chaotic and challenging for firms due to the volume of tasks and coordination effort required up front. Firms must determine what resources are needed, what skill sets are required, who will be assigned to what phase of the audit, who's working on confirmations, who's assigned to chase down engagement letters, and so on. At this phase, firms must also evaluate project overlap to determine how best to share resources among teams and coordinate staff re-engagement to fill gaps if employees leave the firm.

*Termed by the AICPA.

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Production phase (wrap-up, report drafting, report finalization) - After the audit has been planned and processed, the team splits up and returns to the office. At this point, visibility into the full audit process for field staff is lost. There is also no visibility among other stakeholders within the firm — including partners, scheduling staff, and the operations team. The challenge then becomes: How does everyone gain visibility to answer their own questions and complete work? For example, how can partners access data to ensure the audit stays on track and within budget? How can the operations team track progress to plan for review and signoff? How can the scheduling team effectively assign staff based on capacity? Without visibility into the production phase of the audit, the budget for an audit can easily be exceeded.
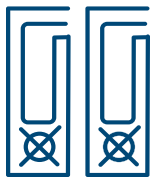
Post-production phase (binder close) - Once the audit work is complete and released, a firm has a specific number of days to clear out the binder. Firms are challenged with hitting requirements on binder close, which is typically 45–60 days. In this time, the firm must memorialize the correct data, roll over data for use the next year, and ensure that the right staff members are assigned to coordinate binder close efforts.

The Solution

XCM connects people and processes through technology to drive efficiency and transform data into meaningful, strategic insight across departments and roles — offering a smart solution to resolve these common audit challenges. The following represents the three most challenging phases of an audit and how XCM address the pains addressed above.

Pre-production

- Provides visibility into the number of audits to be scheduled
- Offers control of staff and resource scheduling
- Supports on-the-fly process coordination when there is a change in scope of work

Production

- Provides visibility across departments and roles to ensure audit stays on budget
- Offers a single source of truth to efficiently and accurately draft and finalize reports
- Enables a streamlined production process, from final financial statement production to partner review and release

Post-production

- Supports the entire back-end process of binder close
- Ensures close-out of all required information
- Empowers firms to hit the expected 45–60 close deadline
- Enables efficient rollover of data to provide visibility on key dates, key people and ensure scheduling and planning are queued up for the next year

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To request a complimentary consultation detailing how XCM can help expand your capacity and increase productivity, call 781.356.5152 or visit xcmsolutions.com today.

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