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ACCOUNTING

2010 Review of Trial Balance & Engagement Systems

Engagement & Trial Balance: Do You Need A Standalone System?

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Trial balance and audit engagement

management programs share a few essential basics: creation of financials and client deliverables, account manipulation, consolidations, reporting, and analysis. After these areas, however, trial balance usually stops and engagement systems are just beginning, and the two types of systems very rarely find a home or a need in the same professional accounting practice. This is largely due to how the profession and corporate oversight have evolved over the past decade.

ENGAGEMENT REVIEW SECTIONS

- **Basic System Functions**
 - General Navigation/Ease-Of-Use
 - Trial Balance Features
 - Templates/Guidance
 - Customization

Not too many years ago, there were a dozen or more trial balance programs on the market, providing professional accountants with the key tools they needed when closing client periods and books. But two things have happened over the past 10 years that have caused trial balance software to almost disappear. The major reason is that, as

- **Engagement Management**
 - Electronic workpaper organization
 - Review notes/tickmarks
 - Financials Generation
 - Managerial Reporting
 - Doc Mgmt
- **Workflow & Collaboration**
 - Multi-staff, with data checkout/overwrite protection
 - Engagement checklists
 - Storage of misc file types
- **Integration/Import/Export**
 - Data Import/Export
 - Productivity Integration (MS Office)
 - Third-party systems
 - Research Integration
- **Help/Support**
 - Built-In Support Features
 - Support Website/Documentation
 - Live Support
- **Summary & Pricing**
- **Overall Rating**

the market for professional accounting and tax compliance systems has evolved and coalesced into a handful of software suites, many of the functions key to trial balance are now found in write-up programs, audit engagement systems or tax compliance packages. Add to this the effect that Sarbanes-Oxley had on turning most practices into either a write-up firm or an audit firm, and the result was amplified.

Brian F. Tankersley, CPA.CITP, a consultant, former practitioner, and a regular columnist for our publication stated it this way: “After Sarbanes-Oxley, firms found that they needed trial balance functions either for audit engagements or for write-up and financials generation, but rarely for both. And as programs developed for those practice areas and specialties, it became less necessary to take on the added investment of a stand-alone trial balance application.”

While there are still a number of technology vendors who offer module-based trial balance utilities,

especially as add-ons to professional tax compliance products, only two dedicated trial balance systems are still offered to accounting professionals by the major vendors serving the profession.

That there are even two left, Tankersley sees as probably the result of “legacy users,” professionals who learned a particular program and are accustomed to it, and so continue to renew or purchase it even though the same functions are available in other programs they also have in their practice. This can result in a redundant and, probably, unnecessary application

and cost to the practice. But these users remain loyal to the products and the vendors, and so the vendors continue to produce the systems.

Of course, in defense of these users, there are business taxation clients for whom a practice may not be providing write-up or other services to throughout the year. For these annual “one-time” engagements, such a trial balance system can offer a quick and simplified method of generating financial statements and analysis, performing tasks like accessing and adjusting accounts, modifying income basis, performing tax reconciliation or grouping accounts.

While all of these functions are available in professional write-up systems or as an add-on to tax packages, the ultimate factor of whether a product is still viable is the market. For the continued users of these systems, the value is still present through intuitiveness, workflow and the ease-of-use of working with a system to which they are accustomed. So do you need trial balance software or are the tools you need and want already in your other programs? That’s a question to which each professional or firm has to find their own answer.

Engagement programs are the focus of much of the innovation taking place in accounting firm software today. Such programs traditionally include all of the core features of a trial balance system, along with advanced tools focused on the needs of an audit-focused firm, such as electronic workpaper management, collaboration and workflow tools, checklists, greater research functionality, integration with office productivity programs, and additional features that aid in review and analysis. So if you answered yes to needing trial balance capabilities, the next question is this: Does your firm need an engagement management system for more complex A&A and compilation engagements?

ENGAGEMENT SYSTEMS

[CaseWare International, Inc.](#)

[– CaseWare Working Papers](#)

The Working Papers system from CaseWare is an engagement management system that offers powerful assurance and reporting functions, along with tools for streamlining workflow, multi-staff collaboration,

folder lockdowns and roll-forwards. The system includes full reporting options; integration with third-party accounting, tax, productivity and research tools.

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CCH, a Wolters Kluwer business

– ProSystem *fx* Engagement

CCH's ProSystem *fx* Engagement is designed to be used as an integrated part of the vendor's comprehensive suite of professional accounting, tax and practice management systems, providing advanced workflow tools, collaboration capabilities, automation of tasking, integration with external programs and strong oversight for audit managers.

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[Review](#)

Thomson Reuters – Engagement

CS

Engagement CS is the audit engagement component of the CS Professional Suite from Thomson Reuters, providing a workflow and process management solution that includes comprehensive trial balance capabilities along with multi-professional collaboration tools, advanced document archiving, integrated research and confirmation services, and additional practice tools.

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[Review](#)

TRIAL BALANCE SYSTEMS

CCH, a

Wolters Kluwer business – ProSystem *fx* Trial Balance

The ProSystem *fx* Trial Balance system can be used as a stand-alone trial balance program or used in conjunction with the ProSystem *fx* Suite of professional accounting and tax applications. The system offers import capabilities from most small and

mid-sized business accounting programs, allowing users to easily work with data from multiple clients and systems.

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[Thomson](#)

[Reuters – Trial Balance CS](#)

Thomson Reuters offers Trial

Balance CS as a stand-alone program that can be used as an integrated component of the larger CS Professional Accounting Suite. The system can support any number of client businesses and includes an array of tools for generation of financial statements, testing balances, customizing client-ready output and performing consolidations.

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2010 Review of Engagement & Trial Balance Systems — Comparison Chart

OTHER AUDIT/ENGAGEMENT TOOLS

[AuditConfirmations](#)

[LLC](#)

[Capital Confirmation](#)

[CaseWare – IDEA](#)

[Technical Financial Solutions \(TFS\)](#)

[Reinvent Data –](#)

[TopCAATs](#)

[Thomson Reuters](#)

[– PPC’s SMART Audit Site](#)

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