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PRODUCT & SERVICE GUIDE

Audit Engagement Tools

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AuditConfirmations LLC

www.auditconfirmations.com

AuditConfirmations offers an electronic bank confirmation (deposit and loan accounts) process targeted specifically to tax and accounting firms.

AuditConfirmations allows firms to electronically submit bank confirmations to any bank using the bank's contact name and email address.

The process works by having the auditor create an audit confirmation request, which is then sent to the client. The client will fill out the pertinent information for the accounts that need to be confirmed. Once this information is completed by the client, the bank will be notified via email that the account is ready to be confirmed. The electronic confirmation is filled out by the bank, and the auditor receives a standard bank confirmation just as before. The auditor maintains control of the environment every step of the process.

AuditConfirmation's process allows the auditor to save hours related to the audit confirmation process but still delivers the same quality audit documentation as with the paper-based process. The company also released automated bank confirmations and accounts receivables confirmations this year.

Capital Confirmation

www.Confirmation.com

Confirming asset, debt, and receivables accounts during an audit has always been a process that was prone to long delays and fraud. After waiting weeks or even months for an official statement of account, there was often little real assurance that the appropriate authority had signed off on that statement. And this uncertainty could cause doubt in the audit process as a whole. After all, financial scandals such as Parmalat were based on fraudulent confirmations.

Fortunately, technology has caught up with the confirmation process, and Capital Confirmation's Confirmation.com service provides verifiable confirmations in an average of less than two days. Whether an auditor, a business being audited or a financial organization officer, the Confirmation.com In-Network system uses a secure web-based platform to manage confirmation requests, with only registered and recognized users allowed to provide signoffs.

The system undergoes a SAS 70 Type II audit and a SysTrust Certification every 6 months, and Capital Confirmation guarantees the auditor is communicating with an authenticated bank and that an authorized official was the responder to confirmation requests. As an added benefit, the web-based system eliminates the time-consuming paper-based process, better protects client data and reduces data errors.

The system integrates with the major engagement systems and is used by all 10 of the 10 largest banks in the United States and more than 7,000 tax and accounting firms. It received one of *The CPA Technology Advisor's* Tax & Accounting Technology Innovation Awards in 2009 and is endorsed by the AICPA/CPA2Biz.

CaseWare IDEA Inc. — IDEA

www.caseware-idea.com

CaseWare IDEA is an audit tool geared toward ensuring data integrity and fraud prevention through advanced analysis capabilities. It is used by auditors to analyze transaction and other data to identify anomalies, spot trends, extract statistical samples, all the while maintaining an audit trail (history) of the work performed.

With IDEA, data can be imported or exported from/into virtually any common format, including all accounting software and mainframe computing standards, with the program capable of reading and processing millions of records within a few seconds. The system can then be used to compare, join, append and connect various files from different sources and extract specific transactions or identify and eliminate gaps or duplicates.

Reporting is the primary product of IDEA, with the system offering extensive data analysis options, “continuous auditing” features and detailed financial insight. Various add-on tools are also offered, including the IDEA Server for enterprise-level analysis; Examiner, for enhancing network security controls; DART (Data Archiving Retention Tool) for eliminating extensive SAP programming; and the Smart Analyzer-Financial, a utility that helps improve audit efficiency.

IDEA helps lower analysis costs and streamlines audit engagements. And with the Smart Analyzer module, audit staff members also have access to prebuilt tests and reports for various areas of business financials (including GL, AR, AP, inventory and fixed assets), along with features that help handle SAS 99-specific requirements.

Reinvent Data

www.topcaats.com

Initially focused on the U.K market, the TopCAATs system has been growing in popularity among U.S.-based audit firms by providing time-saving features that help streamline audit processes. The Excel-based program is primarily geared toward automating testing functions, with computer-assisted audit techniques and dozens of pre-built tools, guides and reports.

TopCAATs plugs into the user’s Excel program and uses common spreadsheet tools, making it easy to use, and providing built-in Help and color coding to guide new or inexperienced users. It also helps reduce risk by allowing the testing of 100 percent of the audit data, instead of just a sampling of the data. Built-in tests include Benford’s testing, Gap/Duplicate detection and Monetary Unit Sampling. This adds value, especially since many of the tests simply can’t be performed manually, while also reducing errors and improving quality.

The TopCAATs system also helps to standardize audit processes based on firm or client needs and preferences, which further aids reliability and speeds engagement

functions. TopCAATs can also be customized by adding macros or other tools and changing the terminology it uses to fit firm standards.

Technical Financial Solutions (TFS)

www.tfsus.com

Accounting professionals are increasingly challenged with IT-related controls testing during audit engagements. And when it comes to audits, *challenge* isn't a word that inspires confidence at sign-off. TFS specializes in helping audit practices address their SAS94 and IT issues by providing needed expertise.

The vendor's core services include an IT audit program that covers the IT general controls categories based on control objectives for information and related technology (COBIT), giving audit teams a provable test of reliance on the IT environment. IT application controls testing is also offered, including A133 related controls within the applications themselves. TFS doesn't sell these programs to accounting firms; instead, the company provides the direct service, with expert financial IT staff working with accounting practices and their clients during audit processes.

TFS also works with accounting practices and their clients to perform full SAS70 audits, and can assist in process documentation, IT training and data analysis.

Thomson Reuters — PPC's SMART Audit Suite

ppc.thomsonreuters.com

Thomson Reuters maintains the PPC brand as the center for its knowledge tools, including the PPC SMART Audit Suite, a collection of the vendor's audit-focused Smart Practice Aids. The Aids are computer-based or online versions of audit engagement tools that PPC has offered for years in print format. Aids are available for virtually every type of entity audit, with the core program offering risk assessment functions and utilities for accessing and documenting internal control processes.

The PPC Guide to Audit Risk Assessment includes tools for providing detailed analysis of standards and requirements, communicating this information to clients with built-in presentations and scripts, and helping auditors understand principles and best practices for audits. The Disclosure module is the most recent addition to the

Smart Audit Suite, helping audit practices streamline disclosure checklist processes and helping ensure compliance with all requirements.

Also available as part of the SMART Audit Suite is the Internal Control Practice Aids, which guides users through a top-down risk-based approach to most efficiently evaluate controls for financial reporting. The tools help obtain and document understandings, evaluate system designs, prepare internal control test plans, and assess control risk. It is fully integrated with the Risk Assessment Aid to optimize audit engagements.

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