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ACCOUNTING & AUDIT

The Technology Lab Podcast – Review of Audit Sight – Sept. 2023

Technologists Randy Johnston and Brian Tankersley, CPA, discuss Audit Sight, a technology platform that eliminates manual work for auditors, diligence and private equity providers by automating financial transaction verification.

Brian Tankersley • Randy Johnston • Sep. 12, 2023

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Randy Johnston & Brian Tankersley



Technologists Randy Johnston and Brian Tankersley, CPA, discuss [Audit Sight](#), a technology platform that eliminates manual work for auditors, diligence and private equity providers by automating financial transaction verification.

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SPEAKERS

Randy Johnston, Brian F. Tankersley, CPA.CITP, CGMA.

Randy Johnston 00:00

Good day Welcome to Technology Lab, Brian Tankersley. My co host and I are so pleased to be with you today as we discuss a new audit platform called Audit Site. Now, we had the good pleasure of meeting the co founders earlier this year in the AICPA CPA dot coms incubator program. And the two co founders both find people based on my discussions with them at the time. And since TC Whittaker out of Nashville and Jonathan Womack out of Atlanta, have a bit of a history on this. So, Brian, I always smile when we have an audit topic, because I know you introduce yourself so many times as a recovering auditor. But you know, where we're gonna be in the audit territory today? What type of observations do you have about the audit site

Brian F. Tankersley, CPA.CITP, CGMA 01:01

platform? Well, let's just remember that the the audits of the audit world is changing to where we're now starting to do more and more 100% testing of data. And so that means that we need tools to ingest data from banks. And, you know, unlike the rest of the world, where we have, you know, in Canada, 60% of your market shares, six banks. In the US, we have 50,000, financial institutions are literally 10s of 1000s of financial institutions. So, we need tools that will help us ingest this from the variety of different statement formats and everything else. And keep us from having to pay human beings to go look at documents, we also need a more effective ar, ar, ar AP and other confirmations. And, you know, as as we end up in some of these procurement blockchains, like the Walmart has, Target has and others. As that happens, over time, we'll be able to directly confirm more and more of that data. But, but this is really a

platform that's designed to kind of coordinate and, and really, we'll go through and do almost, you know, go through and do ar confirmations, you know, again, we'll go through and verify when the, you know, that when the cash came in the AR liability went away, verification of cash deposit accounts, again, just liquidation revenue, that, that getting the receivables are actually turning into cash. And then just kind of generating the workpapers associated with that, you know, I remember working out of a, remember having to have working out of a file cabinet to head off confirmations in it and having to manually prepare those and then having to having to go through and actually manually pull transactions off of bank statements and other things like that. What's great about this is that it again, does quite a bit more automation surrounding this so that you can actually do the thinking work instead of having to do the grunt work all the time. You know, I'm I'm, I'm quite excited that the people coming into the profession won't have to be nearly as proficient as I had to be on a 10 key adding machine format or the numeric keypad we got on our keyboards.

Randy Johnston 03:21

Yep, understood. And, you know, just kind of listening to you speak of the features on this product. I want to back up and just lay the groundwork in a couple of different directions for a moment. Over the last few years, we've watched the evolution of audit platforms, and of audit guidance. And we've talked about those in a variety of technology labs. So we'd encourage you to go back and look at, you know, many of the audit tool competitors that are in the marketplace. Now, one of the things that the product does so well is the data ingestion, in will you know, where they'd be competing, let's say against data Snipper, or the confirmation where they'd be competed against the likes of Kermit confirmation.com. But it's all inside the platform. Now, I spoke with a CPA firm the week before we recorded this podcast, actually two who had both looked at audit site and concluded that the platform could make their audit workpapers As much as anywhere from 30 to 80%. More efficient. Now, I don't want to make that claim on them. But I thought that was interesting that audit professionals looked at the platform and concluded the same thing. So the ability to execute engagements faster while having a better client experience. And to also be on the watch for advisory opportunities is kind of a big deal here. So I don't want to overstate the data ingestion capabilities, but I think the This may be market leading in their capabilities right now. And I think the whole platform is built with, you know, TC and Jonathan's audit experience in mind, because basically, these guys became friends 20 years ago is kind of their backstory. And they were auditors that have done a lot of work so much like many of the other new audit platforms that hit the market, let's just use as examples, their field guide or

inflow, the platforms have been built by ex auditors with a lot of that capability in mind. And you and I both have other historical people we respect that have built similar platforms based on their audit experience. But you know, audit site itself is really, you know, very focused around diligence, and very focused on tracking in areas like private equity, and VC, which is obviously very hot right now. But in any case, I just wanted to make sure that we had this, you know, background, but this confirmation automation, and the revenue of liquidation for the audit period for bank transactions is a big deal as I would see it. Other things that you would call out, Brian.

Brian F. Tankersley, CPA.CITP, CGMA 06:32

So the the thing about this is that there are a number of other tools in this platform in this in this category. So there's, there's inflow, there's mind bridge, although mine bridge doesn't do as much of the extraction as this there's validate the ALP al AD D, the number eight. And so I think the I think there is a slow march toward this, this 100% data ingestion, this data verification. And, you know, I think it does somewhat represent an existential threat, in some ways to revenue streams associated with auditing, from the perspective that private equity groups now are starting to use platforms like this to do much of their own due diligence. So a lot of that advisory work that had been outsourced to accounting firms, I think the private equity firms are going to bring back in with some of these technology platforms. But what I what I think's interesting about about the whole thing is how one of our founders actually says that he wants to always remember the pain that his 25 year old self experienced when he was a staff auditor, all the all the grunt work that had to be done, and, and again, to try to automate as much of that as possible. And I really identify with that, because I had the privilege of using a timekeeping machine to put the general ledger of Knox County, Tennessee. And I gotta tell you that, you know, if there's, I think that I think that it had a role in humbling somewhat, but I think it also reminded me that it's about the work, it's not about you. And that the nice thing about this is this will automate a lot of the unpleasant or time consuming slash, you know, just busy work kind of stuff, so that you can get into the problems and solve more problems quickly. With in those audits.

Randy Johnston 08:35

Yeah. So Brian, you know, one other thing that I know that TC and Jonathan focused on, on building this out, was connecting to multiple different accounting software products. And if we go back to the position you and I have had for the better part of

10 years, we believe that we'll wind up with 100% auditing close to real time ingestion, right? And I think this platform is one of the ones that's closer to this can, can you just remember a few of the interfaces that have been done by this platform?

Brian F. Tankersley, CPA.CITP, CGMA 09:14

Well, they have interfaces with QuickBooks Online and Microsoft 365, zero and NetSuite. And, again, some of the sage products, I think it's the sage in tech products, but I'm not positive, it says sage accounting. And that may be the low end product that they're referring to there. I'm not sure which, but Fresh Books and again, Sage intact as well. So you know, they're doing the sock two thing. So they're actually working with 11,000 different financial institutions, as well. Now, that's not all the financial institutions in the country but they have, they have an alternative OCR, OCR setup, where they can ingest stuff from the rest of those fun antral institutions as well, so So you've really got, the idea here is that it can get full detail out of Ledger's full transaction loads out of Ledger's. And then we can validate that against the bank statements and other places.

Randy Johnston 10:16

Yeah, so thanks for pointing that out. Because the ingestion engine is good from, you know, document consumption. And of course, they claim to have interfaces into 11,000 banks or so which you know, means they probably use a relatively standard tool to get that done. But the goal here are the idea here, because of the PVC players, frequently using the net suites in the Intex of the world, and a lot of startups using these online products like QBO, and Xero, or Fresh Books, you've got the ability to do some real time auditing and connection against a bunch of platforms. I know they have more in the pipe. These guys are so doggone insightful to talk to any other parting thoughts for our listeners today, Brian,

Brian F. Tankersley, CPA.CITP, CGMA 11:08

you know, I think auditing is changing. And I think the way we validate transactions is changing. And, you know, even for my CFOs, and controllers that are listening to this, you know, I think I think some of these tools may have application for just some part of your review process or part of your validation process that you do to try to detect fraud and do other things in the organization. I don't think that they have to necessarily be limited just to the audit department or internal audit or external auditors. So I think you've got a lot of interesting capabilities here. And I think it's

going to be very interesting to stay tuned and see how the audit profession changes with tools like audit, so

Randy Johnston 11:50

wonderful, Brian, well, all of you as our guests and listeners are appreciated, hopefully a little bit of insight here into audit site, an innovative audit platform that's been developed here in the US. I hope these guys have great success and I hope you have great success in your practice too. We'll talk with you again soon.

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