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outsourcing provider that specializes in audit talent but also has tax and client accounting skills.

Isaac M. O'Bannon • Apr. 25, 2024

A dark blue banner for the 'Accounting Technology Lab' podcast. The title 'ACCOUNTING TECHNOLOGY LAB' is in large, bold, white capital letters. To the right, in a lighter blue rounded rectangle, it says 'NEW EVERY SATURDAY' in white. Below the title, it says 'Featuring' in white, followed by the names 'Randy Johnston & Brian Tankersley' in a reddish-brown color. In the bottom left corner, the 'CPA Practice Advisor' logo is displayed. In the bottom right corner, there is a red rounded button with the text 'LISTEN NOW' in white, followed by a right-pointing arrow icon.

**ACCOUNTING
TECHNOLOGY LAB**

NEW
EVERY
SATURDAY

Featuring
Randy Johnston & Brian Tankersley

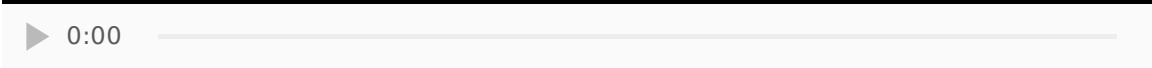
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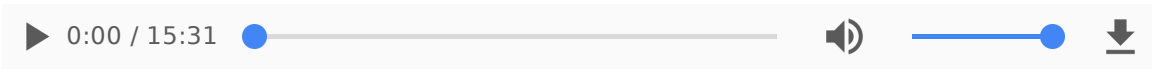
Hosts Randy Johnston and Brian Tankersley, CPA, look at [AssurancePrep](#), an outsourcing provider that specializes in audit talent but also has tax and client accounting skills. Use the video player below to watch, or the podcast player below to listen to the podcast.

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Transcript (Note: There may be typos due to automated transcription errors.)

Brian F. Tankersley, CPA.CITP, CGMA 00:00

Welcome to the accounting Technology Lab sponsored by CPA practice advisor, with your hosts, Randy Johnston, and Brian Tankersley.

Randy Johnston 00:10

Welcome to the accounting Technology Lab. I'm your host, Randy Johnson with my co host, Brian Tankersley. Today we'd like to talk about assurance prep. This particular organization is an outsourcing organization that we respect the management team greatly. And I want to help you think this through because many of you are experiencing staff shortages, and don't have access to good professionals, you've got increasing costs in your own marketplace, you're probably having a change management with so much technology change going on and looking to deploy innovative solutions. You're also cognizant of your client and team experience. And if you're in particular working in audit, comp, and review, whether it's internal audit or external audit, audit quality is going to come much more of an issue. And we think that this particular outsourcing group, which has focused so much effort around audit may help you with preparing for audit of the future. So with that kind of a setup there, Brian, that's a that's a lot of concepts to chew. Now, again, we've got several accounting technology labs are outsourcing, but there's

some big industry trends that I think might be helped by the outsourcing model. So

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though it's well below what you would have to pay in your local market. So we're really, you know, we're doing the arbitrage here, we're buying low and selling high. So it gives you access to talent in these other locations. It the centralization simplifies your technology rollout, you also have some specialization in here that helps you improve audit quality. Because if somebody does, somebody has never done an audit before, they're not always the most useful person to you on the job, the first one they first kick in. And so this helps there. And again, your client and team experience is also improved, because we're not, we're not just working, it's not just total amateur hour with these folks, because they've done these things before. So again, the the principles behind insurance prep, have been doing this for I can't remember how many years but long time again, they're the president CEOs, actually out of Toronto, and the actually the guy that's the guy that leads the US is actually a former capital confirmation of founder that now is now is separated from them now that they were acquired by Thomson. So you know, there's there's a lot of you know, there's there's been a lot of attention to outsourcing tax and bookkeeping. This is really one of the first ones that's really hitting hard when it comes to outsourcing an audit in here. Randy, what kinds of audit? What kinds of audit services do they actually work with?

Randy Johnston 03:41

Well, you are correct, Brian, their focus is all around audit. And so besides just general commercial audit, and I'll speak across multiples, and then we'll pick up on the commercial audit. But they do do some tax in Kas as well. So notice, it's not only audit, but their specialty is clearly commercial audits, pension, plan audits, they also do internal audit work, which is again, something you don't see a lot of so if you're an industry listener, internal audit piece might help you there. And, you know, along the line, then, if it's an audit related piece, they're in it. So you know, in terms of Brian, I know you've introduced yourself for years as a recovering auditor. I'm gonna

let you pick up here because I think they have a number of the audit procedures

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through and do the AR sub ledger work and do the confirmations and sampling and so forth. They get they'll do they'll go through and identify AR allowance for doubtful accounts items in there that don't meet certain criteria. So they'll help you with re aging documents re aging, the ledger and things like that. For AP, they'll do the search for unrecorded liabilities. So they can also do inventory price testing, type things out to the final inventory and do net realizable value and, and obsolescence testing and do the revenue test of test of details in here. Now, when we get over to pension audits, this is an area where again, they can do most of the tasks associated with this, we do have to be a little careful in here using offshore labor just because there are some certain things like social security numbers that you really can't, or that that you really want to think through your how you're handling that. And, you know, for under a circular 230 for the IRS, for example. It says that you really need to not be you really need to have those social security numbers masked off. That having been said here, as we as we look at this, they can do a lot of the testing you've got to do. So your contributions, eligibility, payroll, testing, the investment income allocation and rollover testing, non discrimination testing, remittance, remittance, testing, distribution, testing, and note receivable testing. They're set up to do all those very nicely. They, they also do outsourcing for Taz, get for tax and Kaz. And they do everything from just organizing documents, all the way up to prep of personal corporate partnerships, as well as, as well as going in and doing tax planning, which we now call tax advisory engagements as well. Yeah,

Randy Johnston 07:07

so additional piece that they'll do is outsource bookkeeping, and other functions within a finance department, as Brian called out earlier from an audit perspective, being able to do ar and AP. But with this particular group, one of the things that's you know, a pretty important call out is they will train people on your platform, your procedures, your work papers, and do it your way. Now, others are trying to do this,

but I don't believe it's quite as good. And you know, another unique offering of

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the repeated story on outsourcing. You know, when unemployment rates are high, what they are here in the US, it's going to be hard for you to find the right people, when you look for accounting skills. So if you've got clients that have an internal audit department that are short of labor, in my mind, assurance, PrEP is actually a good recommendation for your firm to make to your clients for that particular role as well.

Brian F. Tankersley, CPA.CITP, CGMA 09:04

And honestly, I mean, if you think about it here, you look at the skill sets that they have in the service, the specific areas that they can help with including control, testing, and helping with helping support the external auditors or financial audits, operational compliance. We could also they also do some fraud audits, performance audits follow up as well as vendor and contract audits. So they really cover the whole gamut. And they get quite a bit deeper into the, you know, the things like performance audits and vendor audits and operational audits that internal auditors do, that you really don't see that you really don't have a an analogous analogous skill set in your average person coming in. So in many ways, I think you've got, you know, because you've got folks that have many more years of experience than you might be able to hire locally, because again, they make more than make a higher rate compared to the local, local pay scale. As opposed to, as opposed to what you have in your local market, you got a lot of opportunity there, again, to, to get a really sharp person with this.

Randy Johnston 10:19

Yeah, and you know, I'm much more sensitive than I used to be to the vendor and contract audits, Brian, simply because supply chain dependencies got very exposed during the pandemic period. But I am also amazed at the security compromises that are in the vendor supply chain today. And again, because of banking regulations, which you know, as well, there are some serious dependencies, and we have similar

exposures in the accounting profession that I think have been overlooked. And, you

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subprocessors. And it's amazing how many of the when you start reading the End User License Agreements of the privacy policies, and all these other things, you don't realize how many folks may be actually looking at your data that you're putting into these cloud applications. And so the nice thing about about using a service like, like these guys, is that is that you know exactly who it is. You know, and you have people in the United States and in Canada, that can that can speak to it, and that, that are setting up a service here that want to do it right. And I think that's a, that's a big, that's a big benefit here of having a service like this, because they're not going to, you know, if if they have somebody leave, they'll find somebody quickly and step back up.

Randy Johnston 12:17

So one of the things that I became convinced of with assurance prep, and again, remember, Brian and I have reviewed many, many outsourcers. And so we are only talking about a few here in the accounting technology lab that we think have reputable have good reputations and good skill sets that are extraordinary in different areas. It's clear that assurance, PrEP has extraordinary capabilities in audit. And so if you need to outsource, you know, non complex activities, and you want to increase your operational efficiency, and you want to have high quality with better client service and time savings and improve the technology adoption. That's part of what you can drive with outsourcing to the right. Group. So you know, Brian, I think from that vantage point, are there any closing thoughts that you have?

Brian F. Tankersley, CPA.CITP, CGMA 13:14

You know, I think the I think the tax and the bookkeeping folks are where, where we spent a lot of time talking about outsourcing. But, you know, given the remote work and the the electronic document management systems we have, and, you know, the ability to have folks working on remote thing, remote systems like Citrix and terminal services and others, through hosting companies, we've really got an

opportunity here to tap into a labor source for audit, where we couldn't do that we

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this. Yeah, that makes some sense. In fact, as you were summarizing your thoughts there, I was thinking about the transition that's occurring in audit platforms. And there'll be a bunch of new learning for your auditors and the remote access will become easier with that. And even going back to your obscuring social security numbers comment earlier in the podcast, it seems to me that these new platforms may assist us with that. And that has been a fault in a lot of the tax platforms where they actually weren't securing texts of social security numbers and fed IDs, when things were outsourced offshore. We're, well, we wanted you to have at least a little bit insight into this particular company's offering assurance prep, which specializes in audit both internal and external but it can also handle tax and calves. We look forward to having you with us in a future accounting Technology Lab. Good day.

Brian F. Tankersley, CPA.CITP, CGMA 15:22

Thank you for sharing your time with us. We'll be back next Saturday with a new episode of the technology lab, from CPA practice advisor. Have a great week.

= END =

Accounting

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