



How Does YKSM, Ltd. Improve Audit Workflow by 15% Through Using ProSystem fx® Knowledge Coach?

Providence-based YKSM, Ltd. leverages the power of CCH's Knowledge-Based Audit™ methodology and Accounting & Audit suite to streamline their processes, improve effectiveness, gain efficiencies and deliver higher quality audits.

Like other accounting firms nationwide, YKSM, Ltd. was quick to comply with the AICPA's Risk-Based Audit Standards when they came out in 2007. After starting with the traditional checklist-based approach, the firm soon realized that it was consistently over-auditing its engagements. They knew that they could do better and, in 2011, the firm set out to find a streamlined automated solution. After evaluating a variety of solutions, they selected ProSystem fx® Knowledge Coach by CCH to help them streamline their audit processes and improve overall effectiveness and efficiency.

“Our previous practice aid had us preparing and reviewing checklists that sometimes had nothing to do with the audit at hand,” explained Leo R. Moretti, Quality Control and Accounting and Audit Partner at YKSM. “We knew that there had to be a more efficient solution. Our practice has long trusted CCH solutions, so when we heard about Knowledge Coach, we were drawn to the audit flow and the elimination of questions if something did not apply to a specific audit.”

Knowledge-Based Approach Drives Efficiency and Quality

With the Knowledge-Based Audit (KBA) methodology by CCH, YKSM saw an opportunity to restructure its audit process from beginning to end, eliminating the over-auditing that had plagued them in the past. The KBA methodology starts each new audit with a clean slate and adds required auditing steps as risks are identified. When a staff member

adds a new risk, Knowledge Coach automatically prompts the user with diagnostics to make sure that each risk is addressed completely. All new information automatically flows through relevant workpapers, saving time and eliminating manual updates. Unlike the checklist approach, the KBA methodology approach enables practitioners to easily see the connection between the identified risks and the audit steps.

The fact that Knowledge Coach was fully integrated with their other CCH solutions was another chief selling point for YKSM. The firm already used other CCH solutions, including ProSystem fx® Engagement, Tax, Accounting Research Manager® (ARM) and PDFlyer™. The addition of Knowledge Coach to their audit workflow created a seamless audit experience for YKSM staff. For example, if a staff member is in Knowledge Coach and has a research question, he or she can launch Accounting Research Manager from within the program, find the answer and provide the appropriate citation — all without interrupting the workflow.

YKSM, Ltd. Key Data:

- Founded in 1952
- Headquartered in Providence, RI
- 30 full-time staff members
- Conducts approximately 40 audits per year, averaging 125 hours per audit

Improved Planning and Communication

One of the biggest benefits Knowledge Coach has delivered to YKSM is improved planning before an audit is even begun.

“In the past, we would go through the checklists for each audit and gather information along the way, resulting in an inefficient process,” explained Moretti. “Knowledge Coach pushes us to be fully prepared for each audit so that partners and staff know where we need to go, and almost more importantly, where we do NOT need to go during an audit. Our staff collects the right information from the client up front and there is more collaboration and interaction between staff as we move through the workflow. In addition, with the use of the industry templates, we’ve grown more consistent in the way we approach each audit, improving efficiency.”

By improving the flow of information, the knowledge-based audit methodology improves communication between audit team members. With Knowledge Coach, team members can easily view summaries, risks and findings. As a result, YKSM partners now find it easier to monitor progress and new staff are able to quickly get up-to-speed on firm engagements.

Ability to Roll Over Audits Saves Time and Money

One of the biggest benefits of Knowledge Coach is the ability to roll over audits from the prior year, eliminating the need for data re-entry and saving the firm a great deal of time. Moretti estimates that after the first year, YKSM will save approximately 15% of their time on each audit moving forward, which translates into an estimated savings of at least \$75,000 per year. In addition to saving time, Moretti feels that Knowledge Coach has helped the firm generate higher quality audits by making sure that each identified risk is addressed effectively.

“While we’ve always had confidence in the quality of our audits, we were over-auditing and completing superfluous checklists, which reduced our overall efficiency,” explained Moretti. “With Knowledge Coach, we have eliminated the unnecessary workpapers from our workflow and are tailoring each audit to the identifiable risks. From a quality control standpoint, Knowledge Coach gives me and the other partners more confidence that we are taking all of the necessary steps to ensure a quality audit.”

CCH Learning & Development Academy Optimizes Investment

To help staff master CCH’s Knowledge-Based Audit methodology, YKSM employees went through Knowledge Coach implementation training and CCH’s School of Audit, one focus of the CCH Learning & Development Academy. The training and consulting helped them get up and running faster and take advantage of the power of Knowledge Coach and other CCH accounting and audit solutions.

“CCH’s training and consulting helped us internalize the Knowledge-Based approach,” explained Moretti. “We’ve already seen the efficiency and workflow benefits of Knowledge Coach, and are currently experiencing even more efficiency now that we have begun to roll our audits over for year two. The investment you make in the first year will come back two fold in the next year — especially at the partner level.”

Using ProSystem fx® Knowledge Coach, YKSM, Ltd. was able to:

- Reduce the average time required to complete each audit by approximately 15%, translating into an annual savings of \$75,000
- Reduce over or under-auditing by tailoring each audit to client-specific risks
- Generate better quality audits and comply with the AICPA’s Risk-Based Audit Standard
- Maximize their investment through CCH’s School of Audit

CCH CELEBRATES
100 YEARS
ADVANCING BUSINESS

To learn more about ProSystem fx® Knowledge Coach and CCH’s complete audit workflow, contact your CCH Account Representative at **800-PFX-9998** (800-739-9998) or visit **CCHGroup.com/AA**

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