

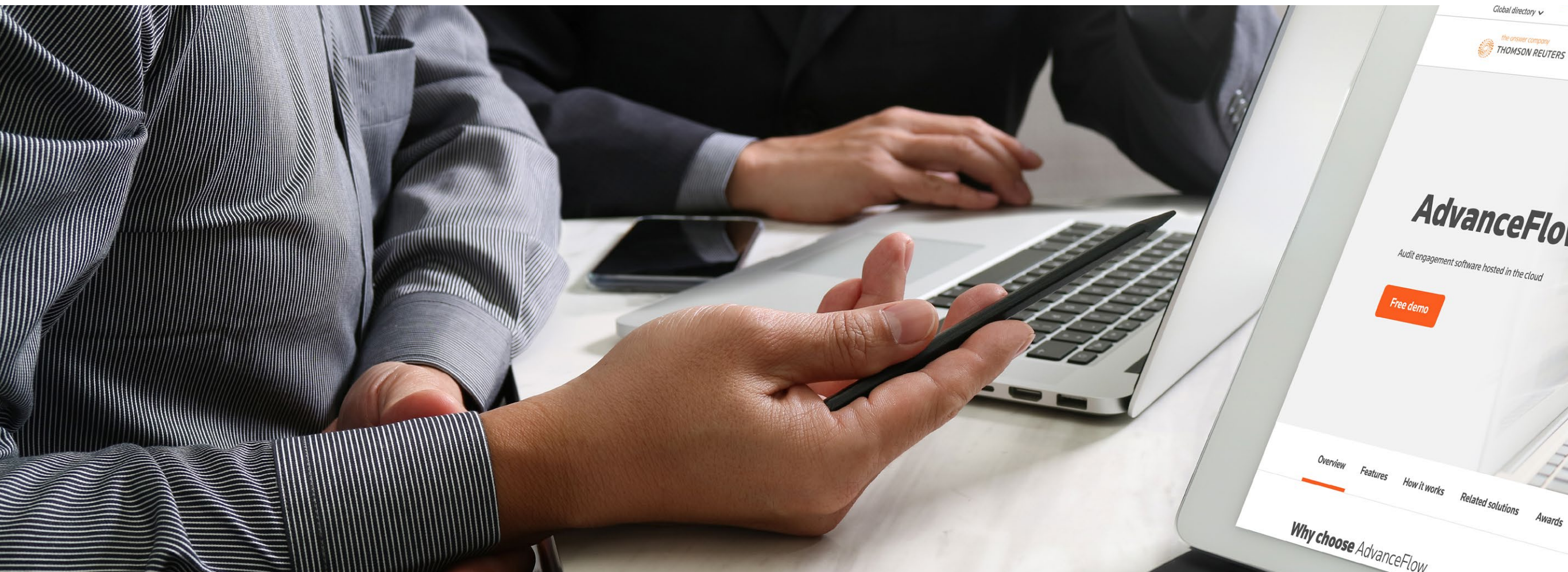
THOMSON REUTERS

AdvanceFlow[®]



Overcoming audit workflow, security, and technology challenges for accounting firms

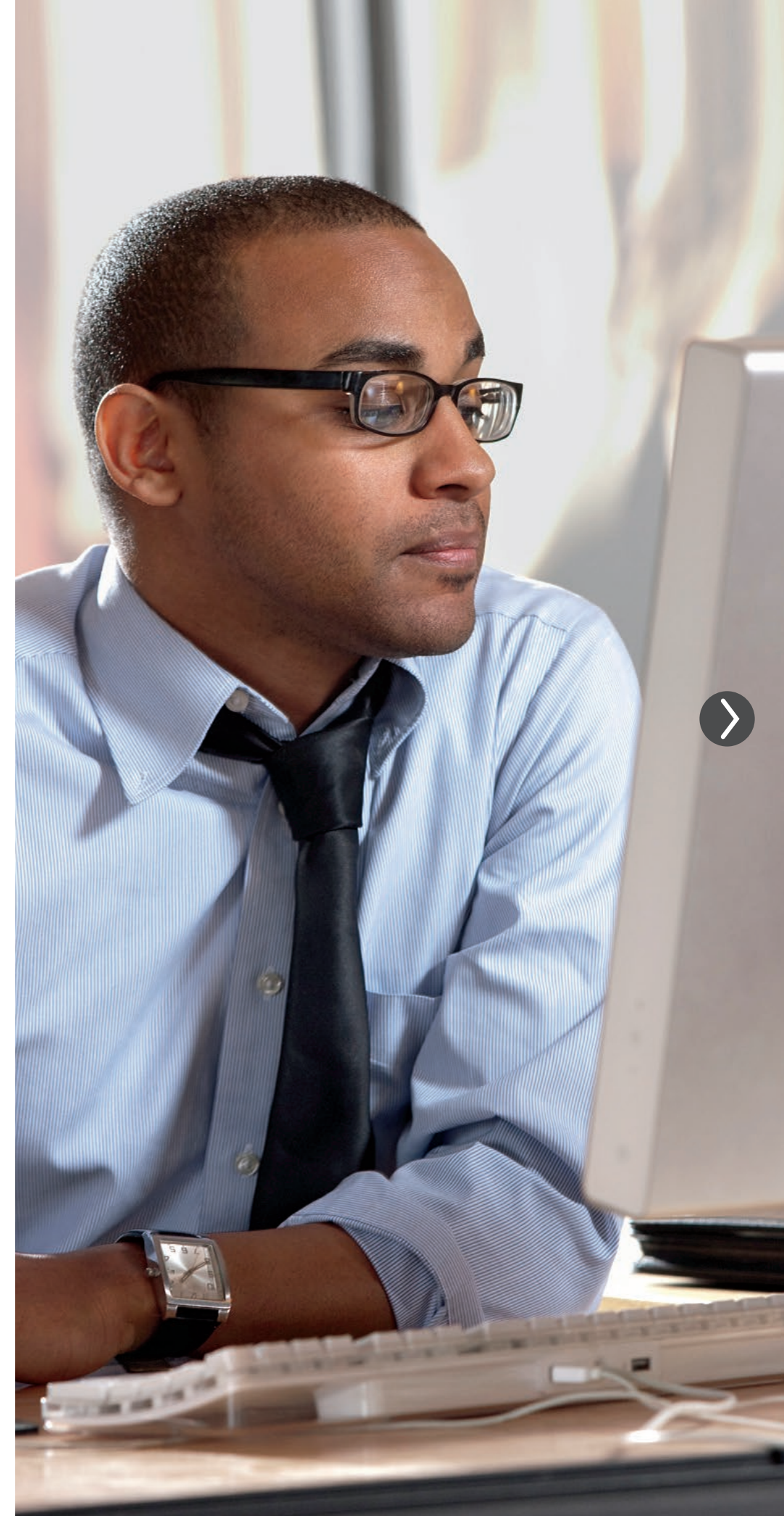
With AdvanceFlow, a cloud-based engagement management application from Thomson Reuters, you create the environment to evolve your firm, grow new business, and attract top talent



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Introduction

The auditing profession and the tax and regulatory environment are changing at a blistering pace, forcing accounting firms to evolve with advancing technologies.

Automation and the low barrier of entry to starting a professional services firm is causing traditional tax and audit compliance services to be commoditized. The resulting downward pressure on prices impacts firm profitability.

At the same time, staffing shortages mean partners are taking on more of the burden of managing accounts instead of focusing on growing the business. Of those accountants entering the industry, fewer and fewer are specializing in audit,¹ and many younger accountants coming into the workforce expect flexibility and a better work-life balance. They want to work for firms that offer remote work options and flexible time-off arrangements.

In this new work environment, tax and accounting firms need to re-approach how they do business. They need to free up more time for staff to build new business and provide new offerings to current clients, and firms need to offer work flexibility to stand apart in a competitive job market.

The solution: Thomson Reuters® AdvanceFlow, a cloud-based engagement management application that gives your audit and tax staff the power to work and collaborate seamlessly, more productively, and from anywhere, at any time. As a result, it allows your firm to create the environment to evolve, grow new business, and attract top talent.

1. 2019 PCPS CPA Firm Top Issues Survey, AICPA



Chapter 1: The challenges that are taxing your firm

The traditional ways of managing audit and tax engagements — processes reliant on spreadsheets, Word documents, and manual management of workpapers — are rife with inefficiencies and version-control issues. They require staff to start from zero each time, necessitating the collection of information from dozens of different accounting systems, ranging from Excel to QuickBooks to full-featured ERPs — none of which are in a standard format.

Antiquated systems, built around on-premises IT infrastructure and siloed work databases, require staff to manipulate data manually and consult multiple dashboards to gather a complete picture of the client's situation. That makes analysis time-consuming and prone to human error.



On top of that, limited access to trial balances and workpapers stifles productivity. Staff must download documents and data and use email to collaborate and share files — a laborious, inefficient, and insecure method. This back and forth ping-ponging results in multiple versions of documents, creating confusion and missed updates. Then, manually going through project checklists to ensure everything is complete and correct can take weeks.

Staff must stay current with constantly changing regulations, a daunting and time-consuming task. And, of course, there are security concerns. Because auditors are often traveling or onsite at a client's office, they keep their "office" with them on their laptop. That means they have sensitive data and financial information stored on their device.

Addressing these challenges requires firms to transform their technology to increase flexibility and productivity. **There are challenges to doing this:**

- Updating on-premises systems can be expensive and difficult — and may introduce more problems, requiring troubleshooting and possibly causing downtime when the system is needed.
- Upgrading may require new software solutions and equipment, which can get costly.
- With the rapidly evolving technology landscape, today's cutting-edge, on-premises solution is tomorrow's technology dinosaur.

Thomson Reuters AdvanceFlow solves these workflow, security, and technology challenges.





Chapter 2: AdvanceFlow for auditing

AdvanceFlow enables you to create streamlined, efficient audit management. It stores all data and workpapers in a remote, virtual location that is accessible anytime an auditor or manager has a network connection. They can instantaneously access the entire audit anywhere, anytime.

Data only has to be entered once and automatically populates all the appropriate fields across workpapers. Folders, files, procedures, and workpapers can be automatically carried across years, rather than requiring manual entry annually.

By uniting data under one screen, AdvanceFlow gives audit staff a quick, clear picture of a client's situation, making it easier to dig into the weeds to see where the problems are.

Because the workpapers live in an accessible-with-permission remote cloud, real-time collaboration between staff, managers, and partners is possible. The same single document can be accessed by multiple people simultaneously, so there's no need to bounce a single document around via email—eliminating version-control problems.

This improved workflow drives increased productivity. AdvanceFlow has been shown to improve efficiency by 25-35%, and by up to 50% when combined with Microsoft Office and other Thomson Reuters cloud audit suite applications.

The built-in capability to create a document retention policy makes it easy to surface and review documents from old audits — and know which records have been deleted or are ready to be purged.

Making life easier for audit staff, AdvanceFlow automatically updates new and local standards and regulations.





Chapter 3: AdvanceFlow for taxes

AdvanceFlow carries these features forward for tax engagement workflows to decrease the time spent on each engagement while improving efficiency and profitability.

CPAs can consolidate trial balances to assist with complex return preparation. A CPA working with multiple trial balances for a group engagement can roll all those balances into a single entity and then file a consolidated tax return that has high visibility into all the individual trial balances within the group engagement.

Importing data for Thomson Reuters® UltraTax CS and Go-System Tax RS, and for Lacerte, Pro-System FX Tax, and Axxess Tax, is automatic. Meanwhile, CPAs can take multiple items and summarize them onto a tax return line item easily with the standardized tax subcoding.

It is simple to run a tax code report and then adjust the tax codes by line item within the reports. The federal tax journal entry capabilities can differentiate the type of adjustment staff needs to make so that they can ignore those changes for the audit, instead just rolling it forward for the tax return, if appropriate.

Then there are the property code schedules to delineate specific and multiple types of schedules and tax codes: c, e, f, and M-3. This feature helps staff get things done faster and accurately.



Workpaper management and review tools link trial balance data between audit and tax engagements for the same client while maintaining proper separation of engagement type.





Chapter 4: Integration with AdvanceFlow to deliver a holistic client workflow for your firm

By having a single solution for both audit and tax, firms empower their teams to work better and collaborate effectively with each other and with clients. But the efficiencies do not end there.

With the cloud audit suite, Thomson Reuters brings it all together to simplify workflows and drive efficiencies and in-depth analysis, accelerating productivity while elevating the value you bring to your clients and firm.

Multiply your resources by integrating auditing, accounting, and tax-return software with the document-management system and risk assessment workflow so everything is in one place. Access planning activities and complete risk assessment procedures within your engagement solution. Integrate with artificial intelligence and leverage statistical patterns in client data to detect trends and perform in-depth qualitative and quantitative analysis.



AdvanceFlow forms a holistic solution with:

- GoFileRoom and FirmFlow for secure, cloud-based document storage, and project-level assignment and workflow.
- Checkpoint Engage, a risk-assessment and financial statement disclosure program that lives inside your AdvanceFlow engagement to deliver high-quality audit review and compilation results in less time.
- Inflo ingests real-time data from 100% of client accounting systems and provides automated data analytics.
- Confirmation, a platform that facilitates third-party validation of confidential and sensitive information quickly and with ease, reducing fraud risk.
- Microsoft Office add-ins seamlessly link data to Microsoft Excel and Microsoft Word from the trial balance for accurate financial statement reporting and disclosures.
- Tax code links to multiple tax preparation software programs.



Conclusion

The world, the workforce, and the tax and accounting industry are perpetually changing. As a result, firms need to re-approach how they manage their engagements and their teams for continued firm and client success.

Thomson Reuters AdvanceFlow gives firms the power to evolve how they do that. It is a core solution that helps to bring the overall workflow together, both for staff and for clients. With AdvanceFlow, firm staff can work and collaborate in real-time on even the most complex jobs anytime, anywhere.

AdvanceFlow acts as the hub of the Thomson Reuters cloud audit and tax workflow suite. It is a web-based platform that unites AdvanceFlow with Checkpoint Engage, Confirmation, Inflo, and tax return preparation tools to form a single connected tool for completing audit and business tax engagement more efficiently and with more confidence.



Through our convergence of cutting-edge technology, data analytics, and trusted guidance, Thomson Reuters can help you take your firm to the next level.

For more information about AdvanceFlow from Thomson Reuters, including viewing a demo and brochure, visit tax.tr.com/advanceflow or contact Sales at +1 800 968 8900 | CS.Sales@ThomsonReuters.com

